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# ***JPRS Report***

## **Soviet Union**

### **WORLD ECONOMY & INTERNATIONAL RELATIONS**

No 5, MAY 1987

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## SOVIET UNION

### WORLD ECONOMY & INTERNATIONAL RELATIONS

No 5, May 1987

[Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language monthly journal MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA published in Moscow by the Institute of World Economy and International Relations of the USSR Academy of Sciences.]

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## ENGLISH SUMMARY OF MAJOR ARTICLES

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 158-159

[Text] V. Zagladin in the article "Party--People--Socialism" analyses the everlasting importance of the Great October Socialist Revolution which ushered in a new era in human history--an era of socialism. Experience of the USSR, where socialism has been put into practice, has convincingly borne out and shown that the new system opens up vast opportunities in every field being an alternative to capitalism. The moulding of Soviet people as a subject of history is the history of a country where the decisive role belongs to the working people under the leadership of the Communist Party. The article points out that the entire humankind at the end of the XXth century is faced with the need to react to the new phenomenon in the world and national development, on international theoretical and practical tasks: how to adjust the system of international relations to the existing new structure of world community. As far as the USSR is concerned the author stresses that the Great October Revolution continues today in the deeds of the country. The reconstruction, a drive for reforms--all this is fundamentally revolutionary creative work, gathering momentum in the country aiming to accelerate the progress of socialist society. To it bespeaks the line of the April 1985 CPSU Central Committee Plenary Meeting, the 27th Party Congress and the January 1987 Plenary Meeting which arm the Party and the people with the theory of reconstruction. The article makes it clear that an uncompromising and open assessment of everything that hampers the country's progress testifies to the principled Leninist stand of the Party and to its strength. The article stresses that in every direction the USSR seeks to translate its philosophical vision of the world into practical politics, concrete actions, that the line of reconstruction now in progress, promotes the cause of the October Socialist Revolution, paving ways to the achievement of the great and noble task--the road to immortality of the peoples.

Yu. Stolyarov and E. Khesin in the article "Present Day Capitalism and Uneven Development" state that in existing situation the mechanics of the law of uneven development of capitalism discovered by V.I. Lenin, acquires certain new features. The scientific and technological revolution has become the generator of the progress. Unevenness is displayed above all in different rates of accumulation and utilization of the scientific and technological potential, growth of high-tech branches and intensity of economy

restructuring. A new impulse to the process of uneven development is given by the TNC which in fact generates unevenness and at the same time levels the development of individual imperialist states and centres. In the last few decades certain spheres and branches of the capitalist economy were marked by uneven development. Unequal was also the rate of the development of the two subsystems of the world capitalist economy. Accumulation and overproduction of capital contribute to changes in its concentration, transition from horizontal to vertical integration and diversification. Unevenness of development has speeded up the inner and interbranch flow of capital and the creation of diversified concerns. The universalization process is developing within the banking sphere. Large multifunctional banks emerge with a wide range of operations. The authors come to the conclusion that considerable changes are taking place in industrial and bank monopolies.

A. Utkin in the article "On the Issue of Widening NATO Activities" focuses on the fact that the years of the existence of the North-Atlantic Pact have not passed without trace for European and world history. The negative influence of this organization has been felt in the most varied spheres of life of peoples and states. The article tries to sum up the negative activity of this organization during the nearly 40 years of its existence. It points out that now, this largest military block of imperialism seeks to adjust itself to present day realities. A number of its members try to enlarge the former "zone of responsibility" of the block beyond the geographical limits, reached according the treaty in 1949 when the alliance was formed. The Mediterranean Sea, Africa, the Middle East, the Indian Ocean--here are the regions where separate NATO powers are enhancing their activities. Today NATO not only opposes the socialist world, but is widening its struggle against the national liberation movement. The USA being the major power of the block is actively forcing its West-European allies to undertake new obligations towards including new regions into its "sphere of responsibility" bordering on the Mediterranean and Indian oceans. The author notes that the West-European members take a cautious attitude towards these ideas, fearing the risky course of American imperialism. At least two countries--France and Great Britain--have considerable ambitions which is confirmed by their presence beyond the borders of the North Atlantic region. The author draws the conclusion that the globalisation of NATO is a new important and dangerous phenomenon in the development of present day imperialism, an evolution of its strategic stand and tactics.

The article "Peace in the Middle East--Utopia or Reality" by E. Dmitryev using rich factual data throws a retrospective look at some major "jubilee" dates of the events in the Middle East which fall on 1987. The article shows that the Arab-Israeli conflict being of great world importance has acquired a definite sounding for countries and peoples of the Middle East. On its solution considerably, if not decisively, depends their future socio-political development and the prospects of the national-liberation movement in the region. The unsettled situation in the Middle East poisons the political atmosphere in the region, conducting to a permanent and at times spasmodic growth of international tension which the world has witnessed repeatedly. The article shows the reasons why imperialist Zionist and other reactionary forces are interested in maintaining constant tension in the region full of premises for long-awaiting cardinal changes. The author speaks about the Western

powers' actions, the USA in particular, as well as of their "strategic ally" Israel, against the Arab countries, developing against the background of a certain "recession" of the Arab national-liberation movement, the growth of centrifugal forces in the Arab world and mounting demarcation on ideological, political and economic bases. The author considers the basic obstacles on the road to a just, lasting and ensured peace. He comments on the latest Soviet initiatives concerning the Middle East. The article points to the concrete conditions under which an all-embracing Middle East settlement is possible.

N. Ivanov in the article "Human Factor's Problems at the Present Stage of STR and Capitalist Contradictions" examines the interrelation between the material and spiritual problems at technological progress. In the conditions of the "macroelectronic revolution" skill and knowledge become of decisive importance for development of the economy. The article analyses the forms and methods of human factor stirring up in the high tech industries of the leading capitalist countries. But at the same time the role of man cannot be limited only to production functions. STR is called upon to meet the developing needs of man in society. The article considers the contradictions between the growth of productive forces and slow rising purchasing power in the capitalist countries. All this sharpens the contradictions within the labour market. The intensive exploitation of the creative abilities of man is combined with mass unemployment.

G. Mirsky in the article "The Developing Countries: Choice of a Pattern" maintains that choice of a socioeconomic model of development has been a crucial problem for the newly liberated countries. Most of them pursue the capitalist pattern but not as a result of a genuine choice, it is rather a legacy of the colonial past, spontaneous continuation of process which took root in the pre-independence era. Real choice which is tantamount to rejection of the free enterprise model has been made only by those political forces which dared challenge the traditional pattern. Many scholars have underestimated the potential of capitalism in the "third world". Weakness of the local bourgeoisie, its preference for non-productive kinds of business activities, its reluctance to invest in industrial development have led many scientists to believe in the inevitability of a rapid transition to socialist orientation since "capitalism does not work" in backward countries. The error lies in confounding capitalism as a system with one of its concrete forms (the Western, or "classical" model) characterised by dominant position of the bourgeois class whereas in less developed countries the spread of capitalism and its potential are not necessarily linked to the predominance of that class. Diverse forms of state capitalism have emerged. At the same time it is clear by now that most of our scholars have adopted an over-optimistic view of tempo and radicalism of socialist transformation of backward societies. Profound contradictions inherent in this pattern, which are due to necessity for the states of socialist orientation to pursue their course within the framework of the capitalist world economy have not been anticipated in the due course. The same is true in regard to negative results of growth of private

enterprise in revolutionary-democratic states which often led to the "embourgeoisement" of whole fractions of the state and party apparatus. In sum, the aim of the author is to attempt a more sober and realistic view of the contemporary "third world".

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## TODAY'S SOCIALISM VALID ALTERNATIVE TO CAPITALISM

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 3-16

[Article by V. Zagladin: "Party--People--Socialism"]

[Text] When now, on the eve of the 70th anniversary of the Great October socialist revolution, one begins to reflect on the difficult paths of the century, which is drawing to a close, and the destiny of mankind, which is taking shape with difficulty, at the center of these reflections is necessarily the theme of the people and the theme of our party--the CPSU.

### I

"Our revolution is the most outstanding event of the 20th century which heralded the start of a new era in the life of mankind. Time has revealed in depth its permanent significance and illustrated the giant possibilities afforded by socialist social development," the CPSU Central Committee appeal to the Soviet people in connection with the 70th anniversary of October says.

The decisions of the 27th CPSU Congress and the CPSU Central Committee January (1987) Plenum have raised in the West a powerful, twelve-point, it may be said, wave of discussion about October and about socialism. Arguments are being conducted and various conjectures and forecasts and, of course, all kinds of speculation are being expressed.

Discussion, incidentally, is normal. The conjectures, forecasts are things which are not in themselves harmful either, the less so in that they have been engendered by a simple circumstance--our opponents cannot figure it out: what has happened? How has Soviet socialism summoned the resolve to take such a giant step forward?

And there is no avoiding speculation here. The main proposition thereof is that the Russians are now themselves recognizing that what socialism has created is not what should be. The most malicious, hostile critics say: socialism has failed. And they are seeking proof of this in our pointed conclusions from our ancient and recent historical past.

It is hardly to be wondered at that such speculation is occurring. Actually,

it has always been there, having begun at the time of the Great October. Our socialism has already been buried a thousand times over. But it is alive. And not only alive, what is more, but finding within itself increasingly new powers, increasingly new sources of dynamism and self-development.

Yes, our socialism is as yet not "right"--it has to develop further and progress, it has as yet revealed its potential far from fully. But the socialism which has already been built here IS A SOCIETY WHICH IN TERMS OF ALL PARAMETERS IS FUNDAMENTALLY DIFFERENT FROM CAPITALISM AND IS ITS SOCIAL ANTIPODE AND A PRACTICABLE ALTERNATIVE TO THE EXPLOITER SYSTEM.

The CPSU Central Committee appeal in connection with the 70th anniversary of October shows exhaustively the most profound advantages of socialism and its decisive merits for the working man: "Our country is the first in which socialism has been implemented in practice. The victory of October firmly established the historically unparalleled principles of people's social being: the power of the working people in politics, public ownership of the means of production in economics and collectivism and comradely mutual assistance in human relations. These revolutionary transformations contain the fundamental principle and inexhaustible source of the vital forces of the socialist system."

Socialism has created a truly new human society strong in its great humanitarian values. It has posed anew the question of the humanization of social relations and the entire social system. Of what does this new consist? First, the fact that compared with the capitalist society man's rights and liberties (the right to work and participate in the management of production and so forth) have acquired their genuine essence. Second, they have all IN PRACTICE been accorded precisely the WHOLE MASSES of working people and not an exploiter minority. Third, it is socialism which has begun to solve the question of the MATERIAL GUARANTEE of these rights. And these guarantees are themselves being reinforced as socialism progressively develops, and the set of rights and liberties of the individual, what is more, is suffused with increasingly rich content.

It is on this, qualitatively new, socialist basis that our motherland took a truly giant step forward in its development, having become from a backward and poor country an advanced, modern, scientific, technical and space power, and scored major successes in culture.

It may be said with complete confidence that no social order other than socialism has achieved such large-scale results in such a short period of time. Not only quantitative but primarily qualitative results. And not simply in the development but in the creation of fundamentally new forms of social life higher than everything known in the past.

It has to be recalled that in terms of its complexity and difficulty the path that has been trodden has been truly unique. And all that has been achieved has come about not as a result of the confluence of some particularly auspicious circumstances but in spite of thousands of inauspicious circumstances.

To begin with the fact that the source economic base for the building of socialism in our country was extremely narrow. True, the assertion that Russia was "not that backward" and that it was developing rapidly and could without any revolution have accomplished a "leap forward" into the industrial era is frequently encountered in Western literature. This is untrue. Bourgeois professors are attempting in this way to belittle the achievements of socialism.

It is sufficient to turn to the real picture, which was exhaustively described by V.I. Lenin. Yes, Russia was a country of monopoly capitalism, and in terms of the degree of monopolization of a number of sectors of the economy was ahead of many others. But it was as a whole a backward, dependent country. These are historical facts.

V.I. Lenin said that it had been customary to believe that a certain level of development was necessary for building socialism (he observed on another occasion that no one actually knows precisely what this level should be). But what, Lenin continued, if the working class had taken power in a country in which this level was lacking. What was to be done? Go back? No, build socialism under the conditions which the victorious proletariat had inherited. This was what was done.

There is no doubt that the country's backwardness by the time of October also left a pronounced imprint on the path and forms of socialist creation in Russia. To some extent we are suffering from the past backwardness even now, although today our country is among the most advanced.

Returning once again to V.I. Lenin, we would recall that he said with complete justification that whereas in creating their states the bourgeoisie already had vast experience accumulated both by itself and its predecessors, had "an already proven carriage, a road prepared in advance and mechanisms tested earlier," we had nothing: "neither carriage nor road, altogether nothing, precisely nothing tested earlier" (1).

The experience and knowledge necessary for building socialism were acquired, cultivated and amassed. This was a battle on the move. It was a giant creative exploit--the exploit primarily of Vladimir Ilich Lenin, to whose works and whose ideas we return again and again, drawing from them new ideas, new approaches and new inducements to reflection. And, of course, this was the exploit of our party of communists, which had been created by V.I. Lenin.

Can it be forgotten that of the seven decades of its existence the country has spent almost one-third on wars and conflicts unleashed by imperialism and the surmounting of their consequences?

The Great Patriotic War occupied a special place in our heroic history. It was the epic of epics. We began the war under extremely complex conditions born of the cult of personality, which had a particularly negative effect at the initial stages of the war. But the power of a free people, the power of socialism overcame all.

The foundation of the country's industrial might which had been created in the

prewar years--albeit not without certain costs--became the forge of the weapons of victory. The unsurpassed heroism of the soldiers and officers and partisans and the underground, the unprecedented labor heroism of the entire people--this is what secured the rout of fascism.

Casualties were enormous, but the victory, gigantic. Gigantic in scale, significance and historical consequences--both for our country and all mankind. At that time, in the period of the Great Patriotic War, socialism passed a test and demonstrated most convincingly its historical superiority.

And the years of the postwar revival? They astounded our enemies by their momentum and efficiency and were a logical continuation of the exploit of the war, once again showing convincingly the possibilities of the society created by October.

No, it is futile for any adversary to attempt today, alluding to our self-critical approach in the evaluation of the path trodden, lack of satisfaction at what has been achieved, aspiration to do more and better and to our revolutionary responsibility, to question the merits of socialism and the creative, constructive power of its social nature! And when the question of how the country managed to cope with the accomplishment, in such a difficult situation, moreover, of the tasks which arose emerges again and again, the answer is clear: the power which ensured the success of socialist creation was the mighty union of the Communist Party, working class and Soviet people.

K. Marx's formula to the effect that a tremendous part in the struggle of the working class is played by its numbers is celebrated. But Marx at the same time emphasizes that it only plays this part if the masses are enveloped by an organization and if they are guided by knowhow. Numbers--organization--knowhow. These are the principal, initial conditions which were necessary for ensuring that the proletariat could play its part and accomplish its world-historical mission.

The inimitable exploit of K. Marx, F. Engels and V.I. Lenin was the discovery of the laws of social development; armament of the vanguard of the proletariat with a knowledge of these laws; the creation of revolutionary, communist parties, within whose framework the combination of the masses and the knowledge revealing the purpose of their struggle and the conditions for achieving victory occurred.

The special service of Vladimir Ilich Lenin was the formulation and realization of the idea of a party of the new type corresponding to the demands of the era of the socialist transformation of the life of society which had arrived by the start of the 20th century. A party which knew how to win the trust of the Russian working class and ensure for its cause support on the part of the broadest strata of the people. It was the strong, organic, active combination of the people's masses, the working class and the party which afforded the opportunity for the accomplishment of the truly radical change in people's fate--preparation and accomplishment of the Great October socialist revolution.

The assertiveness of the people increased in line with and as a consequence of



the increased assertiveness of the proletariat, and the assertiveness of the workers increased ultimately as a result of the intensive work of the party--ideological, political and organizational. Had the party led by the genius of V.I. Lenin been unable to precisely comprehend the meaning of objective processes and discern the rapidly growing changes and abrupt turns in sociopolitical development; had it, relying on Marxist methodology, shunning any dogmatism and ossification of thought and taking into consideration the initiative of the masses and the new forms of struggle engendered as a result of their creativity, been unable to constantly perfect its strategy and emphatically change its tactics as soon as this became necessary; had it, the party, not proved capable of displaying organization, boldness and valor in its practical activity, there would have been no education of the masses, they would not have been led to revolution and there would have been no October itself.

Having accomplished the October Revolution, the people--for the first time in the annals of mankind!--became a subject of history. Not a tool in someone's hands but the creator of their own life. Here, perhaps, is the principal conquest of October, if judged from the standpoints of man's destiny.

The formation of the Soviet people as a subject of history is the history of the Soviet Union, the history of socialism in our country. And the decisive role in this process belonged to the Soviet working class--the class which bore the brunt of creation and struggle. Of course, its efforts would hardly have had the due result had it not acted in close alliance and cooperation with the peasantry and the intelligentsia. And not simply acted in an alliance but was the leading, cementing force of this alliance.

However, the Soviet working class could not have played its part had it not been for the communists and the party. No most exalted, most powerful words can express sufficiently fully the entire grandeur of the role of the party in the period of the creation, defense and development of socialism in our country. It was it, as the new version of the CPSU Program observes, which was and remains the "inspiration and organizer of the historic creativity of the masses and guiding and directing force of our society."

Now, in the era of reconstruction, our class opponents are attempting to "rewrite" history, denying the role of the party or distorting it. They are endeavoring to cancel out its significance, portraying the entire post-October path as one of continual confusion and mistakes. But this is a falsification undertaken with dud weapons, an attempt to discredit our party, communists in general and socialism.

Yes, the dialectic of history, and of our own history in particular, is one of particular complexity. And it needs to be seen realistically. Not canceling out, not throwing out anything. And, of course, judging as a whole--in respect of the entire path that has been trodden, its results and the prospects afforded by this path.

From the heights which have been reached today we can see that in certain periods less was done than was needed, and sometimes, possibly, not as it should have been; there were both serious mistakes and omissions. It is

necessary to recall and not only recall but also speak about this--necessary in order not to repeat the failures and mistaken decisions, make better use of the tremendous potential of socialism and raise new generations precisely in this spirit.

The strength of the party has been that it has always (although regrettably belatedly at times) taken the situation in hand and rectified it. Thus displaying Bolshevik scrupulousness and a self-critical approach and relying on the support of the masses, it performed a great deal of work on removal of the consequences of the cult of personality and the deviations from the Leninist standards of party and state leadership and the rectification of errors of a voluntarist, subjective nature.

At different stages in the history of the party a significant role has been performed by its leaders, their personality and their will. And this cannot be forgotten, whatever inaccuracies or disruptions some of them permitted. The history of the party is not featureless and impersonal. "There should be no forgotten names, blanks," M.S. Gorbachev said at a meeting with leaders of the mass media, "either in history or literature. Otherwise it is not history or literature but contrived, opportunist constructions" (2). A just, balanced judgment of the activity of leaders of this period or the other is a prerequisite of accuracy of knowledge and, together with this, of the fairness of conclusions and the value of the lessons to be learned.

We are accustomed to speaking of the role of the personality in history with reference to the personality of leaders and chiefs. But is not a very great achievement of socialism the conversion of the masses into A GROUP OF PERSONALITIES, each of which and all together in time acquiring growing importance in history?

Today, in the era of reconstruction, the very content of the "masses" concept continues to change. There was a time when talk of the role of the masses in history was very fine-sounding, but people were called the cogs. The masses are people. The masses are personalities, each with his place, his role, his responsibility. Each is a creator. The masses are a group of creators, who are afforded every opportunity for creating and building the society as they themselves wish.

## II

All mankind and each country are constantly confronting the need to respond to new phenomena of world and national development, make the corresponding adjustments to their current activity and clarify their prospects.

Now, at the end of the 20th century, such tasks confront particularly acutely both all mankind and each people. It is a question primarily of averting the perfectly real threat of the extirpation of life on Earth. It is a question of adapting the system of international relations to the current new structure of the world community, making the maximum use of the opportunities afforded by the S&T revolution, taking into consideration the significantly increased requirements and aspirations of modern man and catering far more fully for his rights, beginning, of course, with the right to life.

In tackling the tasks confronting them Soviet people are proceeding from the idea of an upsurge of the qualitative state of our socialist society to a new level. This applies to all spheres of the activity of both the domestic and foreign policy of the country. However, the party has had to embark on the accomplishment of these new tasks under specific, complicated conditions.

V.I. Lenin said after October that the country had entered the phase of socialism--a phase containing exceptional opportunities for development. History has proven this to be true. But the opportunities of socialism are realized by no means automatically, of their own accord.

The conclusion that socialism is a society which for the first time in history is created consciously is known to everyone as of their schooldays. But even this conclusion is sometimes perceived as a kind of mathematical axiom not requiring proof, even less, efforts for its embodiment.

Yet socialism is a society really demanding conscious creation and persevering, persistent and effective efforts. And this means theoretically thinking through each step and each turning point in the development of society and channeling social energy such that it contribute to the solution of the contradictions and problems which arise, strictly considering here the specific interests of each class, each nation and social group and each group of the population in general.

What this means is discussed exhaustively and in detail in the new version of our party's program and in the decisions of the CPSU Central Committee January (1987) Plenum. And discussed not in the abstract and speculatively but on the basis of an in-depth analysis of historical experience.

It cannot be said that throughout the 1970's our society did not make efforts to determine development paths more fully considering the new situation taking shape in the world and in the country. Many good decisions were adopted, but they frequently remained unfulfilled. An underlying reason for this was the lag in the comprehension of the new processes and the formulation of adequate ideological and political conclusions.

The situation on the ideological-theoretical front in preceding periods, primarily in the period of the oversimplification, primitivization even, of a number of propositions of Marxist-Leninist theory (1930's-1940's), was largely reflected here. At that time much was done to popularize Marxism-Leninism--this cannot be underestimated. It was in those years that the introduction of the masses to the fundamentals of the great teaching became a fact of our reality, a very important fact of fundamental significance. But, unfortunately, theory frequently amounted to the principles thereof, to a sum total of generalized formulas which were impermissibly narrow for science. The exceptional wealth and multifaceted nature of Marxism disappeared, as it were, for many years. As the CPSU Central Committee January (1987) Plenum pointed out, vital discussion and creative thought vanished from theory and social science, and authoritarian evaluations and judgments became indisputable truths to be commented upon only.

As a result some important propositions of Marxism proved forgotten altogether. Lenin's instruction that the value of theory lies in a precise depiction "of all the contradictions which occur in life" (3) was frequently simply ignored. Lenin's propositions on socialism were interpreted simplistically, and their theoretical depth and significance were frequently emasculated. This applies to such key problems as public ownership, class and inter-nation relations, the extent of labor and the extent of consumption, joint labor, management methods, democracy and self-management, struggle against bureaucratic distortions, the revolutionary-transforming essence of socialist ideology, the principles of tuition and education and guarantees of the healthy development of the party and society. Understandably, all this put barriers in the way of the development of theory and scientific creativity. It was no accident that the theoretical ideas concerning socialism had until recently largely remained at the 1930's-1940's level.

It is natural and understandable that the conditions of the acute ideological struggle on the international scene demanded and prescribed for us strict vigilance. And it sometimes worked incorrectly, so to speak. It sometimes transpired that vigilance in respect of hostile ideology was understood (or interpreted) as an absolute dislike of everything engendered by scientific thought in Western countries. Cybernetics, genetics, futurology, global studies... were for a certain time made words of abuse. Outright rejection substituted for in-depth study and creative critical analysis.

The experience of V.I. Lenin, the experience of October and the achievements of socialist building showed convincingly in both positive and negative examples that for a revolutionary party, for one building socialism all the more, the sole correct path is that of being on top of the demands of the times and being able to express them in tactics and strategy. Tardiness and lagging in this respect engender serious problems.

By the end of the 1970's our society had found itself in a difficult situation. Stagnant phenomena in the economy and social sphere and also in political and spiritual life had accumulated. The possibilities of socialism were being used far from fully in each of these spheres. It is now obvious that the mass of unsolved questions was greater than we had earlier imagined. The accumulated problems and difficulties interacted and exerted mutual influence, creating a mechanism of the deceleration of society's development in many areas, determining included.

Had this condition dragged on, the consequences could have been extremely negative both for our country and for world socialism. What was needed was a decisive change, a revolutionary change--not away from socialism, as certain Western "zealots" advised, but toward a strengthening of socialism and the optimum realization of its advantages.

And for it to occur, powerful revolutionary impetus was required. This impetus was produced by the party and the CPSU Central Committee April (1985) Plenum. Understandably, this impetus did not arise from a void. The process of comprehension had been developing gradually, for several years prior to the plenum. But it was this party forum which marked the turning point in the thinking and actions of the party, the working class and the people. Once

again--and at an exceptionally crucial stage--the communists displayed Leninist courage, scrupulousness and farsightedness.

It was the leading role of the party which was reflected with full force in the decisions of the 27th party congress and subsequent plenums of its Central Committee. Sure, the all-around significance of the change will be appreciated only later, when its practical consequences have been fully determined. But it can be seen today that a cleansing whirlwind is sweeping over the country, carrying away all that is alien to socialism and impeding progress, creating an atmosphere of true nationwide creation.

The period since the April (1985) Plenum has been a time of critical interpretation of the path that has been trodden--an impartial, profoundly objective and dispassionate interpretation. Even close friends sometimes ask us: why are we at this time putting such emphasis on criticism? There are two reasons here.

The first is that without having defined absolutely precisely the origins and nature of the existing problems, we will not be able to overcome them. The second, on the other hand, is that we will not in the future either be able to advance successfully if we fail to firmly establish in our society a critical and self-critical approach to all our actions. Here is a guarantee against a repetition of the mistakes of the past. We regard criticism, self-criticism and openness as most important methods of the increased efficiency of our policy. They can in no way discredit or cancel out the achievements of the Soviet people. It is these truly giant achievements which have afforded us an opportunity to boldly approach a realistic evaluation of our problems. Having become strong, Soviet society has also become manly.

Further, the Western press speculation on the subject of the alleged personified nature of our criticism is unfounded. It is a question of criticism of this shortcoming and mistake or the other, this negative phenomenon or the other in the life of society. Naturally, the responsibility of the political leadership is emphasized here. However, as was clearly said at the January Plenum, the reference is to the responsibility of all, including those who are now part of the party's executive bodies. Finally, our criticism is of a purely constructive nature. Each critical observation is accompanied by correct conclusions and proposals aimed at not simply rectifying the situation but ensuring the appreciable progress of society and its all-around continued development.

The complexity of the tasks which have now been put forward by the CPSU is that it is essential to implement positive changes in all spheres of the life of society without exception--from economic through moral-ethical. And it is not simply a question of the fact that there have been shortcomings and unsolved problems in many walks of life but that progress and a qualitative improvement of society should be observed along the entire front and not in some individual areas. The socialist society is an integral organism, and all truly realistic projects of its improvement must also be of an integral nature.

The general directions and basic reference points of progress were outlined at

the CPSU Central Committee April (1985) Plenum. The 27th party congress defined the strategy of the modernization of socialism, the strategy of acceleration. But having embarked on realization of the scheduled socioeconomic measures, the party was once again persuaded that success in matters of such a large, nationwide scale would be impossible were the broadest participation of the working people in their implementation not catered for. It was for this reason that the Central Committee January (1986) Plenum concentrated its efforts on the elaboration of a system of measures designed to contribute to the unfolding of socialist democratism and the extension of the people's self-management. We wish to achieve the considerably more assertive and nonformal participation of the citizens in the solution of all questions of the life of society. It is a question, in other words, of the real, actual and growing mobilization of the human factor in the building of socialism.

In conversations with foreign guests, and in a Soviet audience also sometimes, we are frequently asked: why is this decision or the other being adopted in the political sphere, in the sphere of democracy, now? Was there no democracy in the USSR before? And if improvements are needed, should they not have been implemented earlier?

Since the time of the October Revolution a new, socialist democratic political system built on the principles of the participation of each in the affairs of state has been created in our country. And it has proven its efficiency and its profound progressiveness. It is clear, however, that the scale and nature of the application of democratic standards in the period of the wars or the postwar restoration and now, in a period of long peaceful development, differ.

Something else is well known also--many oversights had accumulated in this sphere. Undue centralization and emphasis on administrative methods in the solution of this problem or the other, while necessary and useful under extreme conditions, had in many cases become a habit and a kind of norm, which was harming the independent activity of the masses and holding back their assertiveness. The shortcomings, intensified by manifestations of outright bureaucratism, had to be overcome. This evidently should have been done earlier. But was not. The task of surmounting the harmful inertia in the development of the political system was set by the 27th party congress.

However, besides what has been listed, particular importance is attached to factors of another kind. The essence of them is that in the time of the building and development of socialism in our country people have changed, the nation has changed. The educational level, the level of culture and the political literacy of people have risen more rapidly and effectively, certainly, than the level of development of industry, science and technology even. What it is customary to call the masses has acquired a fundamentally new attribute. The complex, but dynamic, diverse process of the development of socialism has truly led to the birth of a new man.

It is not, of course, a question of some ideal which has already been achieved, of a process which has been completed. It is a question of continuing formation overcoming negative features, difficulties, lags and disruptions proving to be a factor of resistance to the new policy. There are

people who simply have not grown accustomed to the new conditions. There are people with conservative habits. There are, finally, people who have created for themselves unlawful privileges and who are reluctant to part with them.

But the party knew and understood that not everything would go smoothly right away and took into account the simple consideration here that the process of the formation of the new personality is infinite. And ingrained habits and traditions, negative ones particularly, are very difficult to overcome. Nonetheless, even now we have a new attribute of Soviet Man. And this new attribute of his on the one hand insistently demands an expansion and intensification of democratic norms and the democratism of the whole of society and, on the other, affords an opportunity for the effective realization of democratization.

And, of course, the decisive factor: the very difficult tasks of restructuring which have now arisen cannot be tackled without a further development of socialist democracy. Today the forms and methods of implementation of democracy which were characteristic of preceding stages of the country's development, when the centralized, directive principle predominated over the democratic principle, frequently lead to negative results. The maximum of democratism--this is not simply a slogan but the essence of the restructuring and the condition thereof.

Whence the new decisions concerning an improvement of the electoral system, democratization of the decision-making system and an intensification of truly people's control from below of the activity of all organs of authority and management. And at the center of this is democratization in the sphere of production. Here is the main social dominant of the restructuring in the sphere of democracy. Full democracy at work, whose basic principles are contained in the draft Enterprise Act, which establishes that it is the workforce which represents authority and society at each plant and factory and in each production cell--this is what is unattainable for any system other than the socialist system. Here is the starting point of self-management.

There is no doubt that the establishment and realization of new ideas in the sphere of development of the political system will be a powerful stimulus to the further growth of man--professional, intellectual, social and political. Democratization will create a new human factor--a man capable of tackling the tasks of communist creation.

And here again we return to the party, to the trinity: party--class--people.

The party is being restructured--this process was reflected in its new rules adopted at the 27th congress and with full force in the work of the CPSU Central Committee January (1987) Plenum. And now, on the basis of the plenum's decisions, the restructuring process must acquire new acceleration and new dimensions.

Strictly speaking, the restructuring began with the April Plenum's formulation of the question of the need for an abrupt turnabout--primarily in the work of the party itself, the multimillion-strong outfit of communists. And had the party not begun the self-restructuring, this process would hardly have enjoyed

the full-scale development and depth which it is acquiring today. Taking into consideration people's mood, their anxiety in connection with this process or the other developing in the country and patriotic aspirations and relying on an extended analysis of the situation, the party mustered the boldness and displayed the resolve for implementing the necessary changes of revolutionary content. And this not only averted possible undesirable phenomena but summoned into being profound positive changes throughout society.

The socioeconomic policy of an acceleration of the country's development and an extension of democratism being pursued currently by the party is leading to a consolidation of the foundations of socialism and bringing about a further strengthening of the unity of our society. Direct communications and feedback between party and people are being consolidated, and the party's social base is expanding. Today even the restructuring has encompassed all spheres of the life of our society and set in motion tremendous masses of people.

In the West, and in our country also, people are wondering: will the restructuring succeed? Will it not sink into the quicksand? To this question there can and must be only one answer: it will succeed. This is certainly, however, the wrong word. The restructuring will not "succeed" but will be implemented. Implemented by the working class and the people's masses, whom the Great October raised for the first time to the level of social creators of history.

Not all are accustomed to being creators, while some have become unaccustomed to this. Not all have sufficient ability and knowhow. Never mind, all this will be acquired in time, it will all come. But, once again, not of its own accord. It will come thanks to the conscious efforts of the vanguard, that is, the party, geared to enlisting the entire people in the restructuring process and putting everything under their control. The ascertainment and revelation and development of the possibilities of the masses, the people, the working people--it is this, essentially, which is the ascertainment of the advantages of socialism. It is this which is the party's main task, toward whose accomplishment the 27th congress and the CPSU Central Committee January (1987) Plenum oriented us.

The assurance of the success of the restructuring is the firm will of the party and its cohesive, united leadership to proceed along the charted path and the broadest support on the part of the working class and the entire Soviet people. The assurance of the success of the restructuring is, finally, the ongoing process of democratization, extension of publicity and criticism and self-criticism creating a sure foundation of the irreversibility of the changes which have begun in our country.

### III

The historic turnabout in the life of our country accomplished 70 years ago by the mighty force of the unity of the party, the working class and the people could not have failed to have had the profoundest impact on the life of the whole human community. K. Marx once expressed the thought that the birth and development of a new, higher type of social system could not fail to influence the life of the countries and peoples at lower levels of socioeconomic



development. V.I. Lenin creatively developed this thought, advancing the proposition concerning the power of example of the new society and the socialist alternative to the capitalist and any other exploiter orders. The seven decades of post-October development have been seven decades of revelation of this alternative and the spread of its impact on modern human society.

Understandably, this process has been and is uneven. After all, the life of the peoples and their struggle for a more just world are influenced both by the indisputable successes of socialism, primarily of the socialism in our, Soviet, country, and its problems, difficulties and failures. The progress of the new society is instilling in the working people confidence in their powers, affording them new criteria for an evaluation of their own life and the problems confronting them and helping them formulate the goals of the struggle. The difficulties and failures are disenchanting and instilling in some people doubts as to the advantages of socialism.

The forces of the old, capitalist system have endeavored and always will endeavor to cast doubt on the merits of socialism, resorting here to every conceivable lie and calumny. And the failures and difficulties are exploited in every possible way to turn the working masses away from socialism and compromise the very ideal of the new society. The force of example of socialism is an implement and object of a most acute class, ideological struggle. It is it and not the mythical export of revolution which has most profoundly influenced the course and dynamics of the liberation struggle of the working class and the peoples of all countries of our world.

The modern world community is more diverse than ever. Socialism firmly established on one-third of the planet. National-democratic states representing a distinctive form of social progress. The huge tract of capitalist states, in terms of their type and character also highly dissimilar, given the community of their social nature. And, what is more, with time the diversity of the world is not diminishing but growing.

The life of mankind is acquiring new dynamism. Change, maturing little by little, in evolutionary manner or realized in the form of an explosion, in revolutionary fashion--this is a permanent and ineradicable feature of our era. Of course, there has always been change--this is the essence of history--but it is now accelerating and also becoming increasingly diverse in nature. The arena of the confrontation of the past and the future is becoming wider, the connection of its individual sections closer and the depth and nature of the confrontation more large-scale. And in this process our restructuring also is playing a highly substantial part.

Revelation of the intrinsic potential of socialism stimulates both the intellectual and material actions of man. "The restructuring," M.S. Gorbachev observed, "to set off its international aspect, is socialism's invitation to peaceful competition with any other social system. And we will know how to prove in deeds that this competition is to the benefit of general progress and peace throughout the world." But, the general secretary of the CPSU Central Committee continued, "in order that such competition take place and develop in civilized forms befitting mankind of the 21st century NEW THINKING is needed,

and it is necessary to overcome the way of thought, stereotypes and tenets inherited from a past which has irretrievably gone" (4).

Having matured gradually, the need for new thinking has broken through in a turbulent stream precisely in our day. Both objective and subjective circumstances have contributed to this.

The world is interconnected not only by the fundamentally progressive processes of an S&T, economic and social nature but also dangers common for all people. The main one is the threat of annihilation and the death of civilization and, perhaps, life itself as a result of a nuclear catastrophe. And together with it the serious dangers engendered by the intensification of other global problems--from the problem of development through the ecology problem.

It is not the improvement in technology and not only the intensification of man's conflicts with nature which have brought with them these threats. They have been engendered primarily by social factors, more precisely, the application of the achievements of S&T progress under the conditions of the domination of imperialism on a substantial part of the planet, when the old world is prepared to use means of struggle which have long been outmoded and which in our day have become not simply archaic but mortally dangerous.

Ideologists of reactionary circles of the West find their "way out" of the situation. They say: the sources of the danger are precisely in this struggle of social goals and values, in the class struggle. And this being the case, the sole path on which catastrophe can be avoided is a renunciation of socialism, and by all those fighting for socialism, of their ideals and their capitulation to the standards and principles of a society based on private ownership.

It is striking how facile these "arguments" are. After all, the disappearance of socialism and man's return to the past would merely clear the way for the tyranny of the monopolies--both in respect of nature and in respect of man. Interimperialist contradictions would assume even greater proportions and seriousness under these conditions. The same as were engendered by world wars I and II. And which, were it not for socialism, would long since have led to a third world catastrophe. It cannot be precluded, nuclear, with all its consequences....

Of course, history may be "held back" and slowed in some way. But having been contracted for a time, the spring of progress then unwinds with even greater dynamic force. And if we glance back decades, centuries, there is one conclusion: the progressive development of mankind is unstoppable. And today, when the engine of social progress has developed such tremendous speed, stopping it is all the more impossible--if only this engine itself is not destroyed, if mankind is not destroyed.

So? So it is necessary to find forms of relations between different social and national communities of people which, taking into consideration the sociopolitical choice of each people and not creating impediments to the historical process, ensure the survival and further development of mankind.

New thinking in the nuclear age means the offer of forms and ways of development of international relations which correspond to present-day world realities in all their diversity and in all their contradictoriness.

The new thinking is a logical continuation and the creative development of the ideas formulated by Marxism-Leninism. K. Marx and F. Engels even observed that a most important task of the working class is striving for the triumph in international affairs of the same principles of morality and justice which should define relations between people. And it was not fortuitous that in advancing this idea they appealed to the working class, which is called upon to accomplish by historic creativity not only its own, class, but also general tasks--tasks of the liberation of all mankind.

Our party and V.I. Lenin saw clearly essentially from the first steps of their activity this lofty, humane goal and sought its realization unswervingly. Long prior to October the Bolshevik Party began to formulate its foreign policy line--a truly innovative line, the core of which was the idea of peace and the peaceful cohabitation of countries and peoples. And, on taking power, the Russian working class made this line active foreign policy.

The "Decree on Peace".... This Leninist document deserves to be addressed again and again. Particularly in our day. For it is, if you will, the embryo of the new thinking. Reread it. It contains the following ideas: war, an aggressive, unjust war is a crime against humanity; relations between peoples should be regulated by the principles of a just, democratic peace, that is, a peace given renunciation of a flouting of the peoples' rights, a peace based on recognition of the right of each people to live such as they wish; relations between all states should include cooperation on mutually profitable principles; the cause of peace is a cause not only of governments but primarily of the peoples.

Do all these ideas not resound with exceptional force in our day, are they not correlated with today's realities of the world situation?

Soviet foreign policy has been and continues to be inspired by precisely these ideas. Of course, there have been different stages in its development--more successful and less successful, more vigorous and enterprising and less enterprising. There have also been inaccurate steps, which have subsequently been rectified. In the latter half of the 1970's the assertiveness of our policy was evidently less than required by the situation and, what is most important, less flexible and creative. But fidelity to the idea of peace, a democratic and just peace, was maintained and developed.

The CPSU Central Committee April (1985) Plenum called for candid realism and creative initiative in not only domestic but also foreign affairs. The renewal of domestic policy and the restructuring within the country could not have failed to have led to a renewal and restructuring of international policy also.

Realism in the approach to the economy, science, the social sphere, culture and political life within the country is combined in our party's activity with the same realism in the approach to the outside world.

Many, and highly interesting, conclusions concerning the globalism of the processes of human existence and the need for their consideration in policy have already been drawn in our country. We would recall, for example, V.I. Vernadskiy. However, as you know, until recently these conclusions were not "in vogue"--as a result the distortions in ideological-scientific life about which the party has now spoken candidly.

Since the CPSU Central Committee April Plenum the party and its leadership have not only boldly adopted all truly substantiated, scientific conclusions concerning the processes of world development but also elaborated many new conclusions, consistently applying Marxist dialectics to the present day. We can only wish that all these conclusions (contained, specifically, in the CPSU Central Committee Political Report to the 27th congress) will be fittingly reflected, and not in commentary but creative manner, what is more, in our scientific literature.

The party has brought everything together and created a system of views which has become the basis of the new policy offered to the entire world community. The essence of this system of thinking and the content of the new policy fit within a concise, but exceptionally capacious formula: humanizing international relations, which have currently been rendered soulless by the cult of strength and militarization of the consciousness.

The way to the accomplishment of this difficult task is realization of the program of creation of the foundations of all-embracing international security proposed by the 27th CPSU Congress. The content of this program is well known. We would emphasize merely certain particular features of it.

The first and most important of these is that it advances as the main priority and urgent task the elimination of nuclear weapons and the creation of a nuclear-free world. "...With the stockpiling of nuclear arms and their sophistication the human race has been deprived of immortality. It can only be restored by the destruction of nuclear weapons" (5). This is the basic and principal question which has to be solved first of all: restoring immortality to mankind.

Having once been destroyed, the nuclear threat could be reborn. Whence the second task of the program of all-embracing security--the creation of assurances of mankind's continued immortality. And the way toward this is strict observance of the rights of all peoples and each people, genuine equality and mutual respect, including, of course, unconditional respect for the social choice of each country and, consequently, undeviating noninterference in one another's internal affairs.

And, finally, the third task--establishment of the broadest international cooperation, primarily for the essential solution of other global problems.

The development of all-around cooperation would strongly underpin the system of military-political measures aimed at strengthening general security.

The new foreign policy program successively continuing the ideas of Lenin's

Decree on Peace with regard for today's international conditions which our party has advanced is a charter of present-day humanism. But can this charter be realized, considering, what is more, the realities of our violent times? Yes, it can.

And in this plane also our party has in putting forward its program weighed the entire specifics and singularities of the modern world affording an opportunity for the triumph of the idea of the humanization of international relations.

Mankind is becoming imbued increasingly profoundly with the idea of survival and is fighting for survival. The representatives of all classes and social groups and national liberation movements--all who have understood and recognized that it is now necessary to rise above ideological, political and other disagreements in order to save life--will become involved in this struggle in time. A demonstration of the growth of this understanding was the Moscow "For a Nuclear-Free World, for the Survival of Mankind" forum.

And, of course, the success of our restructuring should be a guarantee of the humanization of international relations.

Political opponents of the extreme right are now attempting to look in the restructuring for some threat to other peoples, a threat to peace virtually. No! The restructuring is not undermining but strengthening peace. It is strengthening by demonstrating for all to see our peaceful intentions--after all, aggressive intentions cannot be harbored by a country involved in such a profound, comprehensive renovation of its home! The restructuring is strengthening peace by consolidating its material basis. It is strengthening peace by inviting all mankind not to confrontation but to open, honest dialogue--to openness on an international scale.

Our country entered the 20th century under conditions of the ripening of revolution. It is approaching the 21st century as the motherland of socialism and as a powerful creative force, proving that it is the socialist system which is the genuine alternative to capitalism and that it is it which provides a practicable, substantial answer to the challenges of the age.

Our country entered the 20th century with a small party, but one of powerful spirit. Our country will enter the 21st century closely linked with the people.

The party, people and country are now in practice the standard-bearers of all the best that has been created by mankind. This is a great honor, but also a very great responsibility. Being up to this responsibility today means primarily ensuring the all-around and unconditional success of the restructuring.

#### FOOTNOTES

1. V.I. Lenin, "Complete Works," vol 44, p 416.
2. PRAVDA, 14 February 1987.

3. V.I. Lenin, "Complete Works," vol 4, p 78.
4. M.S. Gorbachev, "For a Nuclear-Free World, for the Humanism of International Relations," Moscow, 1987, p 2.
5. Ibid., p 10.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1987

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CSO: 1816/9

## UNEVEN DEVELOPMENT INHERENT IN CAPITALISM

[Editorial report] Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 1987 initiates a new discussion series with the publication on pages 17-31 of the article "Present-Day Capitalism and its Uneven Development". The authors, Ya. Stolyarov and Ye. Khesin, hold that "unevenness of economic and political development is intrinsically inherent in capitalism"--in individual industries, states and parts of the world capitalist economy. Today, according to the article, certain new features in the unevenness have appeared owing in part to the S&T revolution, "which has 'indisputably' accelerated the process of internationalization of capitalist production," according to the documents of the 27th CPSU Congress. The role of the TNC as the main generators of the unevenness is explored, and the influence of the monopolies, industrial as well as banking, is examined.

CSO: 1816/9-P

## GLOBALIZATION OF NATO ADDS TO ITS NEGATIVE INFLUENCES

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 32-42

[Article by A. Utkin: "Expansion of NATO's Sphere of Action"]

[Text] From the first years of the formation of NATO aggressive imperialist circles have endeavored to increase the efficiency of this bloc, enhance its significance and expand the range of functions which it performs. Together with opposition to the socialist world the function of struggle against the national liberation movement has come to acquire ever increasing significance in its activity. Sessions of NATO's highest body--the council--examine questions testifying to the desire of the West's most bellicose circles to derive the maximum from the organization uniting the main military potential of the imperialism of our day. Specifically, under pressure from the Reagan administration discussion at the NATO Council December session in 1986 of the possibilities of assigning NATO an important new mission: gendarme functions outside of the organization's officially established zone--the North Atlantic--was moved to the forefront. This problem was actively discussed in the course of an "Atlantic" festival in December 1986. Thus the 3 December communique of the NATO Eurogroup spoke directly of the intention "to conduct measures in broader geographical areas" (1).

### I

The argument concerning NATO's zone of operation arose prior to its formation even. As soon as negotiations began in March 1948 in the Pentagon with the British on the creation of a military alliance between the United States, Canada and the main West European states, the question of the sphere of its operation immediately arose. The U.S. representative, A. Hickerson, emphasized that his country had no interest in extending its commitments to such remote regions of the British Empire as, for example, Australia. However, for the sake of enlisting France in the alliance Washington initially consented to the incorporation in the sphere of operation of the treaty of Algeria (2) (it subsequently retreated from this position). The United States tried to dissociate itself from proposals which would have imposed on it the obligation to officially render the allies assistance in the struggle against the national liberation movement in the latter's colonial possessions. The North



Atlantic Treaty signed on 4 April 1949 in Washington recorded quite precisely the zone to which it extended--the territory of West Europe and North America.

Article 6 limited the geographical range of the treaty to the territory of all the subscribers to the treaty and the islands "in the North Atlantic area--north of the Tropic of Cancer" under the jurisdiction of the subscribers to the treaty and also the areas where at the time the treaty came into force forces of occupation of any subscriber to the treaty were stationed (Austria and West Germany were such areas prior to 1955). Article 6 of the North Atlantic Treaty did not prohibit joint operations south of the Tropic of Cancer but it affirmed that a conflict in the sphere of the colonial territories would not be regarded as "an attack on the alliance as such". The corresponding zonal commands: Atlantic and European, the Channel Zone Command and also the American-Canadian Regional Planning Group were formed in the very first years of NATO's existence.

Were there possibilities of the NATO allies' military cooperation outside of the designated zone? The argument concerning NATO's sphere of "responsibility" was conducted in two phases. This was connected with the change in the course of 40 years in the strategic position of the two parts of the North Atlantic alliance--North American and West European.

At the first stage, in the years of the creation of NATO and the formation of its doctrine, the United States was interested in the achievement of two main goals: mobilizing all antisocialist forces in Europe against the USSR and the people's democracy countries and also directing the process of decolonization of the vast possessions of the West European powers into a channel beneficial to itself. In realizing them the United States endeavored to ensure a concentration of efforts along East-West confrontation lines and not in terms of the North-South axis. The armed forces of the West European countries should have been activated, from Washington's viewpoint, at European bases and firing ranges and not at the "distant periphery" of the colonial empires. Washington largely assumed itself the job of keeping the countries and peoples struggling for national liberation within the orbit of the capitalist system and exercising predominantly American control over them. It proceeded from the fact that the economic might of the United States and its globally oriented armed forces and neocolonialist methods would ensure the necessary evolution of the young states embarking on the road of independent development. The expectation was that the former colonies would inevitably find themselves under its influence. Proceeding from these base propositions, the United States opposed in the period from 1949 through the mid-1960's an expanded interpretation of the geographical parameters of the North Atlantic Treaty and the extension of NATO allied commitments to other regions (aside from North America and West Europe). Contrary to the expectations of the West Europeans, the United States was unwilling to be the guarantor of its allies' colonial empires.

The West European countries wished to broaden the spectrum of NATO's operations, but did not have sufficient levers for extending collective commitments to the areas where the colonial possessions of interest to them were situated. The French in Algeria and Central and Tropical Africa, the British in Tanganyika, Kenya, Singapore and Aden, the Dutch in Indonesia and

the Belgians in the Belgian Congo conducted by their own efforts a struggle against the powerful process of national liberation.

The question of whether the West European powers would retain their vast colonial possessions and guaranteed access to the raw material resources of other countries was decided in those years. From the end of the 1940's through the mid-1960's a significant number of West European NATO countries advocated an extension of the zone of the North Atlantic Treaty to adjacent regions, primarily to the Mediterranean, Africa and the Near East. Thus put forward for examination by the NATO Council session in 1956 was the report of "three authorities"--G. Martino (Italy), H. Lange (Norway) and L. Pearson (Canada)--which said: "NATO should not forget that the influence and interests of its members are not confined to the zone designated in the treaty and that the general interests of the Atlantic community could be seriously affected by the development of events beyond the treaty zone" (3).

The most large-scale attempt to globalize the functions of NATO was the initiative of the French President C. de Gaulle. In a secret message to U.S. President D. Eisenhower in 1958 he put forward a proposal concerning the creation in NATO of a body examining problems more wide-ranging than those of NATO. According to his plan, it would be a directory with the participation of the United States, Britain and France. It was intended that the triumvirate would impart to the Atlantic alliance features of political alliance in the broad sense, an alliance dealing with global problems. French diplomacy wished to base itself on the tripartite directory for the sake of strengthening its own position in West Europe (primarily in relation to the FRG) and preserving under its authority the colonial empire in Africa.

The latter proposed extending the zone of the North Atlantic alliance to neighboring regions. But the United States refused to unreservedly take--without benefit to itself--the part of the West European metropolises in their colonial wars. The D. Eisenhower administration turned down this initiative. The United States' attitude toward its allies' colonial wars was characterized not simply by a reluctance to wage war together with them but sometimes also by a direct endeavor to bring the West Europeans' colonial rule to the point of complete collapse in order to increase American influence at the expense of the role of the former metropolises. Even President F. Roosevelt was certain that the French colonial empire had "one foot in the grave" (4).

The Americans protested the return of Indochina to France, created obstacles to the British in Palestine and the French in Syria and Lebanon and, of course, literally evoked the hatred of these two colonial metropolises by their tactics in the period of the Suez crisis, having opposed their closest NATO partners largely for the sake of strengthening their own positions in a vast zone of the developing countries.

The solution of the "geographical issue" at this stage was predetermined by the manifest leadership in the bloc of the United States: the NATO zone was outlined primarily in accordance with its wishes. The first phase of the argument concerning the sphere of NATO's responsibility showed simultaneously that the major West European countries remained in the grip of illusions concerning preservation of their imperial status and the acquisition of

dividends in Asia and Africa. By the mid-1960's it had become clear that such hopes were not to be realized. The second phase came about in the mutual relations of the North American and West European sides in connection with the functions and boundaries of operation of NATO.

Its particular feature lay in the distinctive change in positions. Whereas earlier the West European countries, while assisting the United States in the confrontation with the USSR, hoped for Washington's return solidarity in respect of other problems, as of the latter half of the 1960's it was the United States which began to seek assistance for its aggressive actions outside of Europe. When Washington began to perceive the futility of the Vietnam adventure and requested the assistance of its NATO partners, the answer it heard was approximately thus: "Why should NATO become involved in Asia if the treaty zone is confined to Europe and the North Atlantic? Did NATO take part in the Korean War? When we (the French) were involved in the affairs of Indochina, NATO did not intervene in the conflict" (5). These words of French Premier R. Plevin reflected, as a whole, the general viewpoint of the West Europeans.

The defeat in Indochina more than anything else persuaded the American leadership that the lack of assistance of its principal allies would sharply complicate for the United States the task of "controlling" the processes of the national liberation struggle and social renewal globally. In the message to Congress of 18 February 1970 President R. Nixon observed: "The conviction is growing in the American people that the time has come when other nations (allied to the United States, West European primarily--A.U.) should assume a greater share of the burden of leadership in the world" (6). This was the so-called "Nixon Doctrine," from which it logically ensued that NATO should expand the zone of its "responsibility".

Impetus to stimulation of the ideas of the "globalization" of NATO which was second in terms of significance was imparted by the events in the Near East in October 1973, when in a conflict which had arisen outside of Europe the United States and its West European partners (for the second time since 1956, but this time in a different combination) occupied opposite positions. The West European countries essentially blocked the United States' efforts to render Israel assistance. They banned the United States from using stores and airfields on the territory of West Europe. Only Portugal, evidently hoping for assistance in the preservation of its colonial empire, which truly had one foot in the grave, permitted the Americans to refuel aircraft on the Azores.

Putting American forces in Europe (subordinate to NATO) in October 1973 in a state of alert exacerbated even more the question of NATO's sphere of operation. From the viewpoint of the West Europeans, this was a violation of the provision of the North Atlantic Treaty limiting the sphere of operation of the military alliance to Europe and its surrounding sea expanses. The question of the zone of NATO became even more acute following the captivity of the 53 Americans in Tehran and the events around Afghanistan. The "Carter Doctrine" (January 1980) declared this region a zone of the United States' vital interests--a zone such as prior to this only West Europe and Japan had been. The question of the sphere of NATO's "responsibility" assumed critical

significance and in the 1980's became the subject of open discussion in the West.

## II

Such events as the Indo-Pakistan conflict, the collapse of the Portuguese Empire, the war between Ethiopia and Somalia and, finally, the Afghan and Iranian revolutions were indicators that the focus of turbulent conflict development had shifted, as it were, to a geographical zone lying between the West European and Far Eastern outposts of the United States' military presence. The prompt response of the American leadership to the said phenomena was the creation of the Rapid Deployment Force (RDF) and stimulation of the process of expansion of the zone of "responsibility" of the West European countries and Japan. Assertive efforts came to be made to erect some "bridge" between the United States' West European and Far Eastern military outposts and create intermediate bases for the purpose of ensuring the mobility of the strengthened American police forces. Plans for the organization of a South Atlantic Pact (SATO) in order to establish close contacts therewith and extend the sphere of Atlantism from Greenland to the Cape of Good Hope appeared. The possibility of the establishment of the Japanese authorities' working contacts with NATO bodies was actively discussed. The term "NATO-ization of Japan" appeared even.

In the United States itself doubts had arisen concerning the "adequacy" of the "dual"--from the west and the east--envelopment of the USSR by means of NATO on the one hand and the American-Japanese "Security Treaty" (plus the stationing of forces in South Korea) on the other. A discussion began in the United States on significant changes in global American strategy for essentially the first time since the period of preparation and formation of NATO.

The supporters of reforms believe that the United States' military system is now faced with a choice. It is permissible for some time to be guided by the former strategy, which has been predominant in the past 30 years, but this situation cannot last for long (7). The capacity for influencing the actual situation in the world is increasingly slipping from the reach of the American armed forces. The leader of present-day imperialism is not finding the opportunities for effectively influencing other parts of the world, which was shown by the wars in Korea and Vietnam and the revolutionary changes in Central America and Africa. The question of a strategy "making it possible to be prepared for surprise, emergency situations in the zone of the developing countries without at the same time cutting back the 'proportionally necessary contribution' to safeguarding the security of West Europe" (8) is being raised.

Many American theorists and politicians are advocating that NATO officially assume responsibility for the accomplishment of two assignments, for operations in two areas:

against the socialist community in Europe;

against the economic and political evolution of developing countries (if not of all, at least, of those adjoining the periphery of the NATO zone), which is undesirable for the West.

The supporters of an expansion of the range of NATO advocate horizontal escalation and acquisition of the capacity for conducting combat operations on as broad a front as possible, on a multitude of beachheads. They support the far more active use of naval assault groups in the form of, at a minimum, 15 large carrier formations and the interaction of this fleet with the assault forces of NATO countries (such as Britain and France), whose naval subunits ply the waters far outside the European region. The United States is putting pressure on the allies' already repeatedly demonstrated malleability for the purpose of increasing NATO's range, primarily in the direction of the Near East. In October 1982 the Senate Armed Services Committee advocated a cutback in the numbers of American forces in Europe of 23,000 men, that is, of just over 6 percent. At the same time, however, an increase in the U.S. naval contingent in Southern Europe of 13,000 men was proposed. Even now the U.S. 6th--Mediterranean--Fleet is oriented largely toward the Near East. The plans for the creation of a U.S. 5th Fleet in the Indian Ocean are becoming increasingly realistic.

An important landmark pointing to the shift of the United States' interests toward the Indian Ocean zone was the creation of the so-called Central Command. Its field of activity is the 18 countries along the Indian Ocean coastline. The center of the activity and military organizational development of the American armed forces is being transferred to a considerable extent to zones south and southeast of the European region--NATO's sphere of operation.

### III

Assuming office in 1981, the Republican administration inherited and developed the ideas of the expansion of this sphere and enlistment of the West European allies in actions in the developing countries zone. Among rightwing Republicans there was a large number of supporters of a shift of accent toward the protection of the United States' "vital interests" outside of Europe. The new administration made efforts to expand the zone of "responsibility" of the North Atlantic bloc, taking into consideration here the interests and positions of its NATO allies. Washington took advantage, specifically, of the fact of the presence of the armed forces of Britain and France on certain territories and at bases in Asia, Africa and the Caribbean. Thus great significance is attached to the British bases in Oman and the Anglo-American base on Diego Garcia and the French bases in Djibouti and Central Africa. The "new globalism" doctrine which has been made a part of the theoretical armament presupposes an increase in the geographical range of American operations. Under President Reagan the United States, supporting Britain in

the South Atlantic and France in Central Africa, has moved to actually expand the sphere of its interaction with its NATO partners.

Just a month after the Republicans' occupancy of the White House F. Carlucci, undersecretary of defense of the United States at that time, designated the situation thus: "The United States cannot bear the burden of protection of the West's interests outside of Europe in isolation" (9). Before the State Department and the Pentagon lay a report of four top research centers--the American Council for International Relations, the French International Relations Institute, the West German Foreign Policy Research Institute and the Royal International Relations Institution (Britain)--entitled "Security of the West, Changes and Expedient Measures". This document expressed the opinion that "the major European countries and Japan should join with the United States within the framework of a new mechanism for the coordination and implementation of security policy outside of Europe, beginning with the Persian Gulf" (10).

Losing no time, the Republican administration embarked on specific measures aimed at an expansion of NATO's sphere of operation. It managed to win the allies' consent to the creation within the framework of the bloc of five study groups specializing in an analysis of conflicts occurring outside of NATO's official zone and the possibility of a response from the North Atlantic bloc (11). The American leadership set itself the goal of stimulating the extra-European military presence of the NATO countries and creating a system of coordination of their operations in the zone of the developing world.

General Rogers, supreme commander of NATO joint armed forces in Europe, partially deciphered the American plans thus: "Only a few NATO members are capable of protecting vitally important joint interests militarily in areas outside of the NATO sphere. These few countries (United States, France, Great Britain) must look for their allies to fill the gaps in NATO. This would permit the armed forces under NATO's command to be ready for their use outside of the NATO region" (12). It was a question in this instance primarily of Britain.

It is important to note that by that time Britain's Conservative government had increased its naval forces in the Indian Ocean and made active attempts to negotiate with Mauritius the use of its port. London's readiness to act in conjunction with the Americans, which the joint maneuvers conducted in the Indian Ocean indicated, was ascertained. In the course of Prime Minister M. Thatcher's visit to the United States (March 1981) the idea of an expansion of the geographical zone of the NATO countries' cooperation was a subject of detailed study. The task of American diplomacy was defined by the American side thus: "NATO must recognize that we cannot, ostrich-like, bury our heads in the sand when we encounter events outside of the sphere of its operation" (13). M. Thatcher received the American wishes positively and declared her readiness to take part in the creation of a common naval force. "A new defense policy beyond the North Atlantic is extremely necessary," M. Thatcher declared.

#### IV

The ideas of the more assertive move of the NATO countries beyond the North Atlantic zone have enjoyed a certain practical embodiment in the 1980's. As a result of realization of the Camp David deal subunits of the United States and West European countries appeared on the Sinai peninsula, following Israel's aggression in Lebanon, American, French and Italian forces entered Beirut and the NATO powers' common approaches in policy on the African continent were revealed.

The R. Reagan administration saw promising signals for itself in this. At the NATO Council session in Bonn (June 1982) the question of an expansion of the sphere of operation of the military bloc was posed in direct form for the first time. A supplement to the joint communique on the meeting said: "Events outside of the sphere of influence could jeopardize our vitally important interests, and we declare the need to hold consultations in order to arrive at a joint assessment and the formulation of common goals." It was decided "to study demands in the plane of defense of NATO territory ensuing from the fact that individual members deploy their forces outside of this sphere." We can agree with the conclusion of the West German newspaper DIE WELT, which termed the NATO countries' adoption of the decision on the need to pay practical attention to safeguarding their interests outside of the alliance's zone of operation also "the most important result of the Bonn session of the NATO Council" (14). The concept of NATO's "extra-Atlantic responsibility," which had been discussed previously in NATO lobbies, acquired the precise contours of an actual practical mission of the bloc.

The experience of the Falklands crisis was interpreted by certain NATO strategists as a signal for defining extra-NATO "trusteeship" zones. In the opinion of a U.S. Navy spokesman, "Britain should reconsider its commitments in each area and accumulate sufficient resources with regard for the possibility of performing combat assignments outside of the sphere of operation of the NATO alliance" (15). The plan for the construction of a third light aircraft carrier in order for two carriers to be stationed permanently in the originally defined area of operation of NATO and for the third "to perform urgent combat operations outside the sphere of operation of the alliance of Western countries" was put forward in London.

In the opinion of a number of British politicians and military figures, Britain, just like the United States also, has important interests in the Persian Gulf and for this reason it should have an opportunity to send its carrier there. It is important to note also that in the course of the Falklands crisis Britain, using on a broad scale weapons far beyond the North Atlantic zone, enjoyed the support not only of the United States but of its West European partners also. Fear of the use of armed forces on distant latitudes in a number of West European countries disappeared to a certain extent. The "Suez syndrome" abated somewhat. Pressure on individual NATO countries for the purpose of an increase in their own, special "spheres of responsibility" intensified. Most striking, perhaps, in this respect was the NATO leadership's political pressure on Turkey. At the Istanbul seminar "NATO Strategy in the 1980's" in October 1982 American specialists (representing the administration, the military department and the U.S. CIA) proposed that Turkey

assume new military commitments in the Near East. As a minimum, a zone 100 miles east of Lake Van was indicated. It should be said that the Turkish side perceived such urgings, which were fraught with the risk of the country becoming involved in the reckless policy of American imperialism, with misgivings.

The question of the possibility of an expansion of NATO's sphere of operation was actively discussed at the 9-10 December 1982 council session, which recorded in the communique of this meeting: "The allies recognize that certain events outside of the zone of operation of the treaty could affect their common interests." For the first time the council session openly expressed support for its members' operations outside of the NATO geographical zone, primarily in the Near East and Persian Gulf. It was pointed out in a joint communique that on the basis of consultations with its allies the United States should adopt measures outside of Europe and the North Atlantic for the purpose of "averting threats to the West's vitally important interests.... The allies recognize that on the basis of national decisions individual countries would be making an important contribution to a strengthening of the security of the whole alliance were they to make available the facilities at their disposal in order to facilitate the deployment of forces which might be needed to reinforce deterrence potential in these areas" (16). The American representatives did not conceal their satisfaction at the "positive change" in their partners' approach. Britain, Italy, the FRG and Canada showed broader support than hitherto for the concept of an expanded NATO zone of operation.

The question of an expansion of the sphere of operation also arose in the spring of 1983 in the process of preparation for the NATO Council session in Paris on 9-10 June. This was reflected in a keen polemic in the French capital. In the opinion of an influential American newspaper, "the most serious disagreements at the meeting concerned the United States' attempts to win support for emergency plans to intervene in such areas as the Persian Gulf situated outside of the zone of NATO activity" (17). Partially the Americans' pressure produced results.

The communique of the NATO Council June (1983) session said, inter alia, the following: "Events occurring outside of the treaty's sphere of operation could influence their common interests as NATO members. If it is determined that their common interests have been affected, the allies will hold timely consultations.... The governments of individual NATO countries which are in a position to do so will adopt measures to support sovereign states at their request.... The allies which are in a position to provide for the deployment of forces outside the treaty's sphere of operation may do so on the basis of a national decision" (clause 17 of the communique of the session).

So three particular features were revealed: intervention outside of the North Atlantic Treaty's sphere of operation was welcomed; the NATO allies would hold in this case "timely consultations"; the intervention would be undertaken (at this stage) "on the basis of a national decision," that is, the NATO allies were not anticipating the formation of common structures but providing for parallel national actions. It should be said that the experience of events, particularly in Chad and Lebanon, has been an example of NATO operations precisely in the key established by the NATO Council June (1983) session. But,



of course, realization of the ideas of expansion of the North Atlantic alliance's zone of activity depends primarily on the major members.

France's position is ambiguous. On the one hand it believes that NATO does not have a right to discuss problems pertaining to other geographical spheres. On the other, as France's minister of external relations, C. Cheysson allowed "exceptions" in instances where "problems of a non-Atlantic zone really influence military potential within the confines of the treaty's operation." As of the 1960's France has pretended to the active role of military guardian of African territories far from NATO's zone of operation. In the 1960's-1970's it exerted military pressure in the course of internal conflicts in Cameroon, Zaire, Djibouti, Gabon, on the Comoros and in Chad.

It is important to note the appearance of a new nuance in the West German position. According to FRG Defense Minister M. Woerner, "the federal republic has legitimate interests outside of NATO territory also." This new accent in West German policy points to the possibility of changes in the hitherto seemingly "permanent" policy of opposition to expansion of NATO's sphere of operation. The same M. Woerner gave the assurance that the FRG would render the United States the "necessary support" if the United States, following consultations and in coordination with Bonn, had to take action outside of NATO territory (18). It may with certain justification be claimed that the government of the CDU/CSU-FDP bloc operates from more favorable standpoints in respect of the idea of an expansion of the NATO zone than their (sic) social democratic predecessors.

West Germany prefers as yet not to dot all the "i's". But even here the ideas of movement beyond the confines of the North Atlantic are gaining supporters. Thus H.-H. Wick, permanent representative of the FRG in NATO, expressed his views on this question as follows: "The creation of an Atlantic instrument for overcoming the threats to the security and the system of safeguarding the interests of the Western allies arising on the basis of the instability of the third world is of paramount importance. In the long term this element cannot be disregarded, particularly in areas of higher-than-usual interest to the West bordering the Soviet Union" (19). If such views finally prevail in a country whose armed forces constitute the basis of NATO's conventional armed forces in West Europe, the technical and other difficulties in the orientation of NATO forces toward adjacent and distant regions will diminish considerably.

The Franco-American intervention in the domestic conflict in the Republic of Chad may serve as an example of the coordination of actions of countries of the North Atlantic alliance. Lebanon was the scene of the parallel actions of members of the North Atlantic alliance. The cooperation of NATO powers in Chad and on Lebanese soil opened one further channel of the actual "expansion" of NATO functions.

In February 1984 the U.S. defense secretary declared, reflecting the polemic under way in the bloc's military circles, that NATO should be ready to fight a war outside of the European theater. And H. Kissinger wrote in the spring of 1984 that NATO's "grand strategy" should be created not only for solving problems of East-West relations but also relations with the "third world" and should be "worked out through the end of the century" (20).

In the Bonn (May 1984) statement the heads of state and government of NATO countries were essentially guided by the same idea--they deemed necessary consultations within the framework of the alliance on the question of events occurring outside of the NATO zone. This circumstance acquired particular significance in the light of the fact that Britain had decided to create special armed forces for operations outside of the NATO zone. Their creation, as the SUNDAY TIMES observed, "imparts official status to Britain's role as armed policeman outside of the NATO sphere" (21).

The British have in the 1980's considerably expanded their presence outside of Europe. The Thatcher government has bought up large tankers, augmented the fleet of Hercules long-range transport aircraft and increased the paratroop contingent (22). To a certain extent the actual expansion of NATO's sphere of operation is served by the decision adopted in the summer of 1984 on the creation of a French rapid action force numbering 47,000 men. Also very significant is the fact that France, Italy and Spain are building aircraft carriers, which can easily be dispatched beyond European waters.

Speaking in June 1986 in Annapolis, U.S. Defense Secretary C. Weinberger declared that "NATO is operating in a global situation. We are linked not only with one another but also--across vast oceans and territories--with distant corners of the globe.... It is difficult to exaggerate the importance of the northern and southern approaches to the European continent." And a principal postulate of the defense secretary in the Reagan administration proclaims: "NATO's area of operation, which is so often mistakenly confined to the central front, in practice represents an extensive zone drawn not by geographical boundaries but rather facts of political life" (23).

So NATO's former boundaries are no longer boundaries for the bloc's leader, they already being an "obsolete label". The actions of the United States, which bombed Libya with aircraft based at British airfields, indicates the direction in which the United States' strategic thinking is moving. From the viewpoint of American experts, in the future "movement beyond the NATO zone" will most likely be effected not via the agency of centralized NATO authorities but in the course of the cooperation of two or more members of the military bloc (24).

Nor at the same time should the strength of the opposition to the plans to expand NATO's zone of operation be downplayed. There is no doubt that West European governments are experiencing genuine alarm in connection with their involvement in conflicts in which their interests are not affected to any extent and in which unthinking obedience to "Atlantic solidarity" could cause them serious harm. Thus the Scandinavian countries, West Europe's social democrats and socialists of Mediterranean countries have adopted an unenthusiastic attitude toward these ideas. The U.S. Congress is coming to the conclusion that the United States and the West European part of NATO are displaying "a difference of interests and perception in respect of events in the zone beyond the confines of NATO's jurisdiction" (25). The European allies failed to support Washington's demand concerning a callup of reservists to fill the "vacuum" in the event of the dispatch of American subunits beyond the limits of NATO's operation.

It would be a mistake to assume that the plans for the globalization of NATO are perceived unequivocally positively in the United States itself even. First, previous experience is in no way reassuring in this respect. It is sufficient to refer to the failed plan for a "multilateral nuclear force". Second, NATO currently has no mechanism for coordinating military and political goals--and any attempt at joint intervention in the affairs of developing countries would require precisely such coordination. Third, fears that the West European countries might "by their egotistic actions" and relying on the joint commitments and common structures involve American power in some crises contrary, partly, to Washington's wishes have not disappeared in the United States, in turn.

It is important to note that this turnabout in American strategy, which is now being imposed on all of NATO, represents a direct threat to the developing countries, their aspiration to consolidate their political independence acquired not that long ago with economic independence and their desire to achieve fairer relations with the industrially developed countries of the West. The states which have gained freedom recently reject, as a rule, unbidden guardianship.

The developing countries see the danger of NATO's turn toward the southeast and south. Thus the Indian journal MAINSTREAM evaluated as a threat to national security "the adoption of a strategy whose purpose is to involve NATO's military organization in events outside its traditional sphere of interests and, consequently, in conflict situations in the developing countries" (26).

We would recall that the USSR has put forward a whole number of initiatives like the proposal concerning the creation of a zone of peace in the Indian Ocean aimed at averting a process of the "partitioning" of the world into "zones of outside responsibility". These initiatives have been perceived with satisfaction by the countries threatened by the "friendly guardianship of NATO".

Present-day imperialism is attempting to find means and methods of combating the revolutionary changes of the era and the peoples' aspiration to independent development and social and economic progress.

What are the prospects of NATO evolving in the direction of an expansion of its geographical zone of operation? It is hard to give an unequivocal answer. The main country of the bloc--the United States--is actively urging the West European allies to adopt new commitments and incorporate in the "sphere of responsibility" new areas bordering the Mediterranean and the Indian Ocean. The West European NATO members are perceiving these ideas guardedly, apprehensive about following the reckless policy of American imperialism. Nonetheless, there is now no uniformity in the negative position of the West European part of the North Atlantic alliance. At least two countries--Britain and France--retain considerable ambitions and a military presence outside of the North Atlantic region. And whereas previously their actions "east of Suez" and in Africa were independent, an aspiration to a certain coordination of the actions of the main Western powers may be glimpsed in the British and French

positions. However, there is considerable distance between this desire and the formulation of a coordinated policy. Interimperialist contradictions are exerting a fettering influence on the plans of the supporters of the "globalization" of NATO's sphere of operation.

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## PROSPECTS FOR NEW EAST PEACE EXAMINED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNIYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 43-56

[Article by Ye. Dmitriyev: "Near East Peace--Utopia or Reality?"]

[Excerpts]

### I

The calendar of memorable events which formed the underlying causes of the present Near East situation, which is extremely tense and dangerous for general peace, is highly significant in the year of 1987. The "round dates" of a whole number of events which were seemingly of local scale, but which were of tremendous significance in the history of the countries and peoples of the region and which were starting points for the long chain of phenomena which for many years determined this zigzag, change and strategem or the other of the Near East situation are commemorated in precisely this year.

The year of 1987 is the 70th anniversary of the adoption of the Balfour Declaration of sorry renown, named after the British foreign secretary of that time. This document, which Arab scholars rightly consider the cornerstone of the entire anti-Arab policy of imperialism in the 20th century, said, in part: "His majesty's government takes a benevolent view of the establishment in Palestine of a national home for the Jewish people and will lend all its endeavors to facilitate the accomplishment of this goal, and it is clearly understood, furthermore, that nothing should be done which might be detrimental to the civil or religious rights of the non-Jewish communities in Palestine" (5).

The Balfour Declaration pleased the Zionists to the extent that it might facilitate the speediest realization of their "supertask"--the creation of a purely Jewish state in Palestine. Nor, what is more, were the sympathies of British imperialism for the Zionist movement any secret. "Zionism," Lord Balfour said, "whether right or wrong, good or bad, ensues from long-standing tradition and corresponds to present needs and future hopes, whose significance is far deeper than the wishes or prejudices of the 700,000 Arabs living at the present time in this ancient land (in Palestine)" (6).

The idea of the possibility and desirability of the partitioning of Palestine between Arabs and Jews as a method of improving the permanently tense

situation at this "world crossroads" was expressed for the first time in 1937. This idea was set forth in the summary report of a British royal commission (the Peele Commission). Its recommendations suggested handing over to the control of the Jews the areas of Palestine adjoining the Mediterranean and the borders with Syria and Lebanon (that is, the most habitable and fertile), despite the fact that 90 percent of the said territories belonged to the Arabs and were settled by Arabs. Commissions like the one named were frequent guests in Palestine between the two world wars, but their activity did practically nothing for a solution of its problems.

A further decade, which was filled with events of world-historical significance, elapsed. WWII culminated in the rout of the most reactionary forces of imperialism--German fascism and Japanese militarism. There arose on the agenda the question of liberation from colonial dependence not only of individual countries and peoples but also whole continents. The winds of change reached the "colonial preserve"--the Near East region--also. By this time the situation in Palestine had been aggravated in the extreme. It being beyond the capacity of the mandate country (Great Britain) to cope with the increased chaos there, the latter brought up the Palestine question for discussion and a decision by the world community.

On 29 November 1947 the UN General Assembly voted for the partitioning of Palestine into two states--Arab and Jewish. The 40th anniversary of the "partition resolution" (8) is simultaneously the 40th anniversary of the start of the Zionists' undeclared broad-based war against the Arabs in Palestine and the armed expulsion of Palestinian Arabs from the territory on which they resided. The year of 1947 may be considered that of the emergence of the Palestinian problem as a set of questions of a political, legal, territorial, demographic and economic nature most directly concerning the fate of an entire people--the Arab people of Palestine.

## II

The Soviet Union originally supported the creation in Palestine, following abrogation of the British mandate, of a united Arab-Jewish state. However, in view of the impracticability of this idea, the USSR supported the partitioning of Palestine into two states and the creation of an international zone, to which Jerusalem would be allotted. The constructive influence of Soviet diplomacy on the work of the compilers of the "partition resolution" is noticeable in this document. It reflected the progressive constitutional principles of the future state formations--Arab and Jewish--and determined a procedure of their formation precluding the possibility of abuse, specifically in respect of the rights of the national and religious minorities. Resolution 181/II contained a demand concerning the adoption by both states of the commitment to pursue a peaceable foreign policy as an indispensable condition of their subsequent admission to the United Nations. There is no doubt that had Resolution 181/II been fulfilled, the conflict situation in the Near East would not have been of a chronically tense and dangerous nature.

The year of 1957 also was marked by a whole number of events in the Near East. The so-called "Eisenhower Doctrine" was proclaimed on 5 January of this year and approved by the U.S. Congress on 9 March. The main proposition of the

doctrine was the idea, steeped in a spirit of neocolonialism, concerning the incapacity of emergent peoples for building their statehood and developing the economy without the West's "assistance". In accordance with the propositions of the doctrine, the United States individually arrogated to itself the "right" to interfere in the internal affairs of countries of the region in the event of the emergence of a "political vacuum" or a threat of the "aggression of world communism" arising. The "Eisenhower Doctrine" was essentially Washington's unilateral attempt to legitimize armed imperialist intervention in the Near East as the principal instrument of the policy of the United States and its allies and a direct violation of the UN Charter and the rules of international law.

We would recall the events of 20 years ago. The year of 1967 was the year of Israel's aggression against three Arab countries--Egypt, Syria and Jordan--whose consequences have still not been removed. Primordial Arab territories were seized as a result of the aggression: the Sinai peninsula, the Gaza Strip, the West Bank of the Jordan, the Golan Heights, that is, the area adjacent to the town of Kuneitra, and East Jerusalem. The world community does not recognize the legitimacy of these seizures, which have become for Israel and its patrons the subject of a big political game and open political speculation, not to mention the considerable profits obtained by Tel Aviv as the result of the economic "assimilation" of the occupied territories. And the state of affairs is by no means altered by the fact that, withdrawing as a result of the Camp David accords concluded under the aegis of the United States his country from the ranks of the Arab states confronting the Israeli aggression and consenting to a whole number of major political concessions (specifically the conclusion in 1979 of the Egyptian-Israeli "peace" treaty), which are viewed in the Arab world as an infringement of Egypt's sovereignty and an abasement of its national dignity, the Sadat leadership of the Arab Republic of Egypt achieved the departure of the Israelis from practically the entire territory of Sinai.

The well-known Security Council Resolution 242 was passed in 1967 (22 November). It incorporated as principal clauses the principle of the impermissibility of the acquisition of territory by way of war, confirmation of the need to seek a just and lasting peace in the Near East, indication of the need for the withdrawal of Israeli armed forces from the Arab territories occupied as a result of the 1967 aggression and also a cessation of all claims or states of war and respect for and recognition of the sovereignty, territorial integrity and political independence of all states of the region without exception and their right to live in peace within secure and recognized borders, not subject to threats or the use of force. Although the adopted document was seemingly of a comprehensive and, as a whole, balanced nature, it failed to take account of a most important component of a Near East settlement, the core thereof--the need for a constructive solution of the Palestine problem on the paths of the granting to its indigenous inhabitants of the right to self-determination. In Resolution 242 the Palestinian question is seen exclusively as a problem of refugees.

Let us leaf on through the calendar.... October 1, 1977 was the day the joint Soviet-American statement on the Near East--one of the few truly balanced documents, which, had it been realized, could have cardinally changed the



situation in the region and created the necessary conditions there for the long-term constructive settlement of the conflict situation on the basis of justice for all--was issued. However, under the pressure of Israel and Zionist circles in the United States President J. Carter completely disavowed the content of the joint statement literally 4 days after it had been promulgated. The American-Israeli "working paper" issued on 5 October 1977 showed that Washington was abandoning the search for a just, balanced solution of the Near East situation and the Palestine problem as its main component in cooperation with other states, primarily the Soviet Union.

Ten years ago, in November 1977, then Egyptian President A. Sadat, having paid an official visit to Israel and thereby having counterposed himself to the entire Arab world, virtually signed his own death warrant. A special statement of the PLO Executive Committee described this step as follows: "Sadat's decision to visit Israel is a departure from the sacred principles of the Arab nation's struggle for liberation of the occupied Arab territories and an insult to the memory of the victims of the Palestinian people who have fallen in the struggle against Israel. This step of Sadat's ignores the decisions of inter-Arab summits, the gains of the October war and the principles of inter-Arab solidarity" (9).

A further tragic "jubilee" will be commemorated in 1987--the fifth anniversary of the Israeli invasion of Lebanon. The aggression against the sovereign Arab state and the Palestinian formations there, which was a direct consequence of the Camp David compact, did not achieve its ends. The huge invasion force was unable to accomplish the main mission--eliminating the military formations of the Palestine Resistance Movement. Proceeding from the fact that an atmosphere conducive to the foisting on the Arabs of American-Israeli outlines of a Near East settlement had emerged in the fall of 1982, the White House hastened to make public the so-called "Reagan Plan," the basis of which were the Camp David accords, which were virtually bankrupt by that time. The "Reagan Plan" was rightly characterized by the world community as a manifestation of the U.S. Administration's endeavor to somehow excuse itself for its participation in the crimes of the Israeli aggressors in Lebanon.

An impressive counterweight to the "Reagan Plan" was the Fez Initiative--a program of a Near East settlement approved at a meeting of Arab states at top level in Fez (Morocco) in September 1982. The eight points of the all-Arab plan were formulated as follows: "Israel's withdrawal from all Arab territories occupied in 1967, including the Arab part of Jerusalem; destruction of the Israeli settlements built on occupied Arab territory since 1967; assurances for the practice of religious rites for the representatives of all beliefs in the "holy places"; confirmation of the right of the Palestinian people to self-determination and realization of their inalienable national rights under the leadership of the PLO--their sole legitimate representative; payment of compensation to Palestinians who do not wish to return; establishment for the West Bank of the Jordan and the Gaza Strip of a transitional period under the observation of the United Nations, whose duration would not be more than several months; creation of an independent Palestinian state with its capital in East Jerusalem; the UN Security Council vouching for peace between all states of the region, including the Palestinian

state; the UN Security Council vouching for implementation of these principles" (10).

The year of 1987 will, finally, be the fifth anniversary of the USSR's broad-based proposals on questions of a Near East settlement of 15 September 1982, subsequently repeatedly confirmed and commented upon in detail in the speeches of Soviet leaders. The well-known six points of these proposals have as their dependable basis in international law the specific decisions of the UN Security Council and General Assembly. Political observers drew attention to the fact that the Soviet proposals of 15 September 1982 are very close to the propositions of the Fez Initiative. They are based on the need for observance of the principle of justice for all and are a sound basis for a possible long-term and really constructive settlement of the difficult, delicate and multi-aspectual problems of the region.

### III

A retrospective look at the main "jubilee dates" of the situation in the region which fall due in the present year shows that the problem of a Near East settlement has for many decades remained a most important issue of political and diplomatic struggle. The unsettled state of the situation in the Near East is poisoning the political atmosphere in the region and contributing to a permanent and frequently fitful growth of international tension, which the whole world has witnessed repeatedly.

Imperialist, Zionist and reactionary forces are very concerned to maintain a constant high pitch of tension here. Their interest is brought about far from least by the fact that Tel Aviv's aggressive policy in relation to its Arab neighbors and the "besieged fortress" atmosphere, which is persistently maintained and implanted in Israel, have led to the sociopolitical and class aspects of the struggle of the Arab peoples and the Israeli people having been glossed over, as it were, and to openly nationalist and, in a number of cases, rightwing-nationalist forces having bestirred themselves in the political life of the Near East. The slogans and practical actions of these forces are blurring, blunting and, at times, forcibly limiting the possibilities of the development of the peoples' class struggle. For this reason there can be no doubt that the elimination of the dangerous center of international tension which the Arab-Israeli conflict is would emancipate the healthy sociopolitical forces of the region.

Until most recently this part of the world was rightly considered an arena of bitter clashes between imperialism and reaction on the one hand and national liberation, progressive forces on the other. The efforts of imperialism, primarily of the United States and Israel, have for many years been aimed at eroding and emasculating the anti-imperialist content of the Arab national liberation movement and the localization and limitation of the possibilities of its impact on the situation in the Arab world. With Tel Aviv's direct assistance Washington is doing everything to keep the Near East in the sphere of its political and economic influence and transform the "combustible material" accumulating there into inter-nation, regional and other conflicts of analogous content, but by no means class-based inasmuch as it understands full well what a very big defeat--political, moral, economic, military-

strategic--the West would sustain were it one fine day to lose control over the region.

Whence the policy of military-power pressure to which imperialism has been resorting increasingly actively recently as a method of solving problems which arise in relations with the Arab world. The "asphalter" of Washington's Near East policy and the unconcealed attempts to seek a solution of complex aspects of the Near East situation through the prism of Israeli interests and the global Soviet-American confrontation are considered in the Washington administration a perfectly dependable guarantee of the United States' positions in the region.

The growing separation of the Arab ranks is undoubtedly conducive to the maturation and realization of the anti-Arab plans of the imperialist powers, primarily the United States. There is currently in the Near East a certain "ebbing" of the national liberation movement, a growth of centrifugal forces and increased delineation on an ideological, political and economic basis. This is just as apparent as the fact that the Arab world is, as before, full of anti-imperialist potential.

This contradictory unity of two seemingly incompatible aspects of the overall situation in the region may be discerned in a whole number of recent events and phenomena. Such examples can also be seen in the activity of the Palestine Resistance Movement (PRM), which is rightly seen by the Arab and world community as the vanguard of the Arab national liberation movement. The split in the PRM, which is a consequence of the readiness of center-right circles to consent to a compromise with the United States and, ultimately, with Israel on such issues as the creation of an independent Palestinian state and the place and role of the PLO in negotiations on a Near East settlement, has summoned into being a growth of unification trends aimed at restoration of the unity of the PLO and normalization of the situation in the PRM as a whole. It is no accident that the idea of "national dialogue" is being supported to the utmost currently even by the Palestinian circles which considered compliance with the clauses of the 11 February 1985 Jordanian-Palestinian agreement the optimum solution of the Palestinian problem and gave no thought to its possible consequences. But among these consequences were the sharp polarization of the forces constituting the PRM, an increase in the direct dependence of its various detachments on groups of and individual Arab countries and the creation of Palestinian "structures" alternative to the PLO designed to render the split in the PRM irreversible.

The present situation in the Near East is also characterized by the fact that under the conditions of the escalation of the military-power pressure of imperialism on the Arab countries, the infringement of their sovereignty and acts of direct aggression the ideas of national and social liberation and practical slogans of anti-imperialist struggle are becoming increasingly intelligible to the broad masses of the Arab peoples if they simultaneously contain a certain nationalist charge. V.I. Lenin once said, addressing the communists of eastern countries: "You will have to take as a basis the bourgeois nationalism which is being awakened in these peoples and cannot fail to be awakened and which is historically justified" (11).

I believe that this instruction of Lenin's has retained its significance today also. Indeed, we see in the Near East that the clashes of truly progressive and nationalist forces have repeatedly led to the most tragic consequences and a weakening of the general front of anti-imperialist struggle. At the same time, however, it is highly significant that Arab nationalism has for a long time been the slogan and political practice of the bourgeoisie of many Arab countries. True, at the present time the integration possibilities of Arab nationalism and pan-Arabism have diminished to a certain extent. The political potential of "Islamic solidarity" is growing, and a process called by Western scholars the "resurgence of Islam" is developing in pulsating fashion in the region.

The "Islamic factor" has undoubtedly had a certain impact on the directions of the development of the revolutionary process in Arab countries of Asia and Africa. It may be considered that it has even become an integral part of this process to a certain extent. Indeed, the maturation and appearance of unique political systems like that which exists currently in Iran are possible precisely under the conditions of the "Islamic boom" and the situation of the weakness of a truly revolutionary vanguard and the separation of national and patriotic forces both within the framework of individual countries and within the framework of the Arab world as a whole. The emergence of such structures may be seen as a manifestation of the distinctiveness of the revolutionary process in the Arab East.

The intensifying class and political stratification here is a nutrient medium for the development of the revolutionary process, and it is the "Islamic factor" which is the distinctive catalyst of this process. Some political observers in the Arab world believe that the upsurge of Islamic fundamentalist sentiments is a disquieting symptom fraught with dangers for certain Arab regimes. M.H. Heikal, the prominent Egyptian public figure and journalist, pointed out in an interview that "in the absence of a firm policy capable of channeling the enthusiasm of our youth in the necessary direction and in the present context of economic difficulties and social alienation the fundamentalist wave could be really dangerous" (12). Although Heikal was referring to the situation in Egypt, his assessments merit attention for they are essentially applicable to other Arab countries also.

The vast majority of Islamic currents is characterized by anti-imperialism, more precisely, an "anti-Westernism" directly reflected in a whole number of parameters of the foreign and domestic policy of a number of Arab states. At the same time the "Islamic factor" is complicating the activity of the truly progressive forces and impeding the spread of the ideas of scientific socialism. This point is being used actively by the Western powers, which believe that it will be quite easy to push the Islamic currents onto the path of anti-Sovietism and anticommunism. However, such attempts are in the long term doomed to fail. Truly, it is difficult for any length of time orienting "Islamic radicals" toward a struggle against "atheistic communism" while they see daily the manifestation of actual support for the national liberation struggle of the Muslim countries on the part of the USSR, as, equally, instances of the West's direct interference in Arab countries' affairs.

It cannot be precluded that at some stage of the development of the Arab world the "Islamic factor" will be capable to a decisive extent of exerting an influence on the positions of this force or the other in the struggle for complete authority. It is for this reason that the leaders of many Arab states are making active use in their policy of Islamic slogans and terminology in order to secure themselves against a possible flareup of religious militancy in the mood of the broad masses capable of considerably changing the political character of this country or the other. At the same time, on the other hand, surely still fresh in the minds of many people is the fate of Sadat, who gave abundant assurances of his devotion to Islam, promoted the introduction of the provisions of the sharia to the Egyptian Constitution and attempted to use the anticommunism and anti-Sovietism of the Islamic fundamentalists in his own interests, but who was assassinated at precisely their hands.

#### IV

The struggle for the achievement of a just, long-term settlement of the conflict situation in the Near East is thus unfolding against a background of the increasingly complex and exacerbated general situation in this part of the world and a deepening of the contradictions between the imperial, essentially predatory policy of the United States and the interests of the peoples of the Arab countries. Imperialism is managing as yet to attain its ends in the region for the reason that a profound, tragic discrepancy between the revolutionary potentialities of the countries and peoples of the Near East and the incapacity and frequently reluctance of many Arab leaders to bring matters to the point of realization of these potentialities in practical policy continues there.

The aspiration of the broad Arab masses to unity of action and cohesion on an anti-imperialist basis is common knowledge. However, it happens in practice that many leaders paying lipservice in every possible way to Arab solidarity are essentially parasitizing on this slogan inasmuch as they have long since cast overboard the banner of Arab unity. The progressive forces of the Arab world are capable of raising this banner and rallying the broad masses around it. After all, the struggle for genuine Arab unity is primarily a struggle for winning the sympathies of the masses and preventing the leadership in the revolutionary process being intercepted by conservative forces, as was the case in Iran.

The struggle for Arab unity is most closely connected with the prospects of the elimination of the continued center of serious international tension in the Near East region.

The 27th CPSU Congress set the task of the unblocking of conflict international situations, including, naturally, the Near East situation, as a most important task of the current stage of international relations. A whole number of features determining the complexity of the Near East situation and impeding a settlement being reached on the basis of the principle of justice for all continues, despite the consistent efforts of the peace-loving forces, right up to the present. We may point to the following circumstances, which are truly creating seemingly insurmountable difficulties on the paths of the achievement of a constructive and long-term Near East settlement:

Israel's refusal to liberate the primordial Arab territories captured in 1967, including East Jerusalem, the actions of the Israeli leadership pertaining to the political attachment and economic integration of these territories and use of the problem of the occupied territories for the purpose of outright political bargaining;

the refusal of the United States and Israel to recognize the legitimacy of the demands of the Palestinian Arabs concerning satisfaction of their legitimate national rights, including the right to self-determination, the unwillingness of Tel Aviv and Washington to recognize the obvious fact that the Palestinian problem is the pivot and core of the Near East conflict and the endeavor of the United States and Israel to ignore the PLO, which is recognized by the UN General Assembly and other international organizations as the sole legitimate representative of the Arab people of Palestine and equal participant in all international forums at which questions concerning the fate of the Arab Palestinian people are broached in this form or the other;

the absence of a common Arab position on the problem of a Near East settlement, the split in Palestinian ranks and the serious disagreements in the Arab world in respect of the Iran-Iraq war, which in almost 7 years has already resulted for the two neighbor countries in the death of hundreds of thousands of people and tremendous material losses and is creating conditions conducive to increased imperialist interference in the affairs of the region;

the resistance of Washington and Tel Aviv to the search for a solution of the Near East conflict on the paths of collective efforts within the framework of an international conference specially convened for this and the endeavor of the American and Israeli leadership to reduce the entire settlement process to bilateral separate Arab-Israeli deals achieved with the direct participation and under the pressure of an "impartial mediator"--the United States;

the United States' rejection of joint or, at least, parallel actions with the USSR pertaining to a search for a "settlement formula" acceptable to all.

The Soviet Union has, as is known, long been proposing the convening of an international conference on the Near East. This proposal has been commented upon repeatedly and supplemented by a whole number of new nuances, concerning, for example, the participation therein of all five great powers which are permanent members of the UN Security Council and the possibility of the creation within the framework of the international conference of bilateral committees as its working groups (bodies). The convening of the conference could contribute to the constructive solution of a whole number of complex and delicate problems constituting the complex of a Near East settlement. It is common knowledge that right up to the present Israel has refused to recognize the PLO and conduct any negotiations with it. For understandable reasons nor is the latter consenting to an act of official recognition of Israel, although there have already been statements by a number of Palestinian leaders in the sense that the PLO is prepared to recognize all UN resolutions on the Palestinian problem and, consequently, the resolution on the partitioning of Palestine which formally "consecrated" the creation of the Israeli state. It may be said, evidently, that a mutual act of de jure recognition of Israel and

#### IV

The ideas of the more assertive move of the NATO countries beyond the North Atlantic zone have enjoyed a certain practical embodiment in the 1980's. As a result of realization of the Camp David deal subunits of the United States and West European countries appeared on the Sinai peninsula, following Israel's aggression in Lebanon, American, French and Italian forces entered Beirut and the NATO powers' common approaches in policy on the African continent were revealed.

The R. Reagan administration saw promising signals for itself in this. At the NATO Council session in Bonn (June 1982) the question of an expansion of the sphere of operation of the military bloc was posed in direct form for the first time. A supplement to the joint communique on the meeting said: "Events outside of the sphere of influence could jeopardize our vitally important interests, and we declare the need to hold consultations in order to arrive at a joint assessment and the formulation of common goals." It was decided "to study demands in the plane of defense of NATO territory ensuing from the fact that individual members deploy their forces outside of this sphere." We can agree with the conclusion of the West German newspaper DIE WELT, which termed the NATO countries' adoption of the decision on the need to pay practical attention to safeguarding their interests outside of the alliance's zone of operation also "the most important result of the Bonn session of the NATO Council" (14). The concept of NATO's "extra-Atlantic responsibility," which had been discussed previously in NATO lobbies, acquired the precise contours of an actual practical mission of the bloc.

The experience of the Falklands crisis was interpreted by certain NATO strategists as a signal for defining extra-NATO "trusteeship" zones. In the opinion of a U.S. Navy spokesman, "Britain should reconsider its commitments in each area and accumulate sufficient resources with regard for the possibility of performing combat assignments outside of the sphere of operation of the NATO alliance" (15). The plan for the construction of a third light aircraft carrier in order for two carriers to be stationed permanently in the originally defined area of operation of NATO and for the third "to perform urgent combat operations outside the sphere of operation of the alliance of Western countries" was put forward in London.

In the opinion of a number of British politicians and military figures, Britain, just like the United States also, has important interests in the Persian Gulf and for this reason it should have an opportunity to send its carrier there. It is important to note also that in the course of the Falklands crisis Britain, using on a broad scale weapons far beyond the North Atlantic zone, enjoyed the support not only of the United States but of its West European partners also. Fear of the use of armed forces on distant latitudes in a number of West European countries disappeared to a certain extent. The "Suez syndrome" abated somewhat. Pressure on individual NATO countries for the purpose of an increase in their own, special "spheres of responsibility" intensified. Most striking, perhaps, in this respect was the NATO leadership's political pressure on Turkey. At the Istanbul seminar "NATO Strategy in the 1980's" in October 1982 American specialists (representing the administration, the military department and the U.S. CIA) proposed that Turkey

assume new military commitments in the Near East. As a minimum, a zone 100 miles east of Lake Van was indicated. It should be said that the Turkish side perceived such urgings, which were fraught with the risk of the country becoming involved in the reckless policy of American imperialism, with misgivings.

The question of the possibility of an expansion of NATO's sphere of operation was actively discussed at the 9-10 December 1982 council session, which recorded in the communique of this meeting: "The allies recognize that certain events outside of the zone of operation of the treaty could affect their common interests." For the first time the council session openly expressed support for its members' operations outside of the NATO geographical zone, primarily in the Near East and Persian Gulf. It was pointed out in a joint communique that on the basis of consultations with its allies the United States should adopt measures outside of Europe and the North Atlantic for the purpose of "averting threats to the West's vitally important interests.... The allies recognize that on the basis of national decisions individual countries would be making an important contribution to a strengthening of the security of the whole alliance were they to make available the facilities at their disposal in order to facilitate the deployment of forces which might be needed to reinforce deterrence potential in these areas" (16). The American representatives did not conceal their satisfaction at the "positive change" in their partners' approach. Britain, Italy, the FRG and Canada showed broader support than hitherto for the concept of an expanded NATO zone of operation.

The question of an expansion of the sphere of operation also arose in the spring of 1983 in the process of preparation for the NATO Council session in Paris on 9-10 June. This was reflected in a keen polemic in the French capital. In the opinion of an influential American newspaper, "the most serious disagreements at the meeting concerned the United States' attempts to win support for emergency plans to intervene in such areas as the Persian Gulf situated outside of the zone of NATO activity" (17). Partially the Americans' pressure produced results.

The communique of the NATO Council June (1983) session said, inter alia, the following: "Events occurring outside of the treaty's sphere of operation could influence their common interests as NATO members. If it is determined that their common interests have been affected, the allies will hold timely consultations.... The governments of individual NATO countries which are in a position to do so will adopt measures to support sovereign states at their request.... The allies which are in a position to provide for the deployment of forces outside the treaty's sphere of operation may do so on the basis of a national decision" (clause 17 of the communique of the session).

So three particular features were revealed: intervention outside of the North Atlantic Treaty's sphere of operation was welcomed; the NATO allies would hold in this case "timely consultations"; the intervention would be undertaken (at this stage) "on the basis of a national decision," that is, the NATO allies were not anticipating the formation of common structures but providing for parallel national actions. It should be said that the experience of events, particularly in Chad and Lebanon, has been an example of NATO operations precisely in the key established by the NATO Council June (1983) session. But,



of course, realization of the ideas of expansion of the North Atlantic alliance's zone of activity depends primarily on the major members.

France's position is ambiguous. On the one hand it believes that NATO does not have a right to discuss problems pertaining to other geographical spheres. On the other, as France's minister of external relations, C. Cheysson allowed "exceptions" in instances where "problems of a non-Atlantic zone really influence military potential within the confines of the treaty's operation." As of the 1960's France has pretended to the active role of military guardian of African territories far from NATO's zone of operation. In the 1960's-1970's it exerted military pressure in the course of internal conflicts in Cameroon, Zaire, Djibouti, Gabon, on the Comoros and in Chad.

It is important to note the appearance of a new nuance in the West German position. According to FRG Defense Minister M. Woerner, "the federal republic has legitimate interests outside of NATO territory also." This new accent in West German policy points to the possibility of changes in the hitherto seemingly "permanent" policy of opposition to expansion of NATO's sphere of operation. The same M. Woerner gave the assurance that the FRG would render the United States the "necessary support" if the United States, following consultations and in coordination with Bonn, had to take action outside of NATO territory (18). It may with certain justification be claimed that the government of the CDU/CSU-FDP bloc operates from more favorable standpoints in respect of the idea of an expansion of the NATO zone than their (sic) social democratic predecessors.

West Germany prefers as yet not to dot all the "i's". But even here the ideas of movement beyond the confines of the North Atlantic are gaining supporters. Thus H.-H. Wick, permanent representative of the FRG in NATO, expressed his views on this question as follows: "The creation of an Atlantic instrument for overcoming the threats to the security and the system of safeguarding the interests of the Western allies arising on the basis of the instability of the third world is of paramount importance. In the long term this element cannot be disregarded, particularly in areas of higher-than-usual interest to the West bordering the Soviet Union" (19). If such views finally prevail in a country whose armed forces constitute the basis of NATO's conventional armed forces in West Europe, the technical and other difficulties in the orientation of NATO forces toward adjacent and distant regions will diminish considerably.

The Franco-American intervention in the domestic conflict in the Republic of Chad may serve as an example of the coordination of actions of countries of the North Atlantic alliance. Lebanon was the scene of the parallel actions of members of the North Atlantic alliance. The cooperation of NATO powers in Chad and on Lebanese soil opened one further channel of the actual "expansion" of NATO functions.

In February 1984 the U.S. defense secretary declared, reflecting the polemic under way in the bloc's military circles, that NATO should be ready to fight a war outside of the European theater. And H. Kissinger wrote in the spring of 1984 that NATO's "grand strategy" should be created not only for solving problems of East-West relations but also relations with the "third world" and should be "worked out through the end of the century" (20).

In the Bonn (May 1984) statement the heads of state and government of NATO countries were essentially guided by the same idea--they deemed necessary consultations within the framework of the alliance on the question of events occurring outside of the NATO zone. This circumstance acquired particular significance in the light of the fact that Britain had decided to create special armed forces for operations outside of the NATO zone. Their creation, as the SUNDAY TIMES observed, "imparts official status to Britain's role as armed policeman outside of the NATO sphere" (21).

The British have in the 1980's considerably expanded their presence outside of Europe. The Thatcher government has bought up large tankers, augmented the fleet of Hercules long-range transport aircraft and increased the paratroop contingent (22). To a certain extent the actual expansion of NATO's sphere of operation is served by the decision adopted in the summer of 1984 on the creation of a French rapid action force numbering 47,000 men. Also very significant is the fact that France, Italy and Spain are building aircraft carriers, which can easily be dispatched beyond European waters.

Speaking in June 1986 in Annapolis, U.S. Defense Secretary C. Weinberger declared that "NATO is operating in a global situation. We are linked not only with one another but also--across vast oceans and territories--with distant corners of the globe.... It is difficult to exaggerate the importance of the northern and southern approaches to the European continent." And a principal postulate of the defense secretary in the Reagan administration proclaims: "NATO's area of operation, which is so often mistakenly confined to the central front, in practice represents an extensive zone drawn not by geographical boundaries but rather facts of political life" (23).

So NATO's former boundaries are no longer boundaries for the bloc's leader, they already being an "obsolete label". The actions of the United States, which bombed Libya with aircraft based at British airfields, indicates the direction in which the United States' strategic thinking is moving. From the viewpoint of American experts, in the future "movement beyond the NATO zone" will most likely be effected not via the agency of centralized NATO authorities but in the course of the cooperation of two or more members of the military bloc (24).

Nor at the same time should the strength of the opposition to the plans to expand NATO's zone of operation be downplayed. There is no doubt that West European governments are experiencing genuine alarm in connection with their involvement in conflicts in which their interests are not affected to any extent and in which unthinking obedience to "Atlantic solidarity" could cause them serious harm. Thus the Scandinavian countries, West Europe's social democrats and socialists of Mediterranean countries have adopted an unenthusiastic attitude toward these ideas. The U.S. Congress is coming to the conclusion that the United States and the West European part of NATO are displaying "a difference of interests and perception in respect of events in the zone beyond the confines of NATO's jurisdiction" (25). The European allies failed to support Washington's demand concerning a callup of reservists to fill the "vacuum" in the event of the dispatch of American subunits beyond the limits of NATO's operation.

It would be a mistake to assume that the plans for the globalization of NATO are perceived unequivocally positively in the United States itself even. First, previous experience is in no way reassuring in this respect. It is sufficient to refer to the failed plan for a "multilateral nuclear force". Second, NATO currently has no mechanism for coordinating military and political goals--and any attempt at joint intervention in the affairs of developing countries would require precisely such coordination. Third, fears that the West European countries might "by their egotistic actions" and relying on the joint commitments and common structures involve American power in some crises contrary, partly, to Washington's wishes have not disappeared in the United States, in turn.

It is important to note that this turnabout in American strategy, which is now being imposed on all of NATO, represents a direct threat to the developing countries, their aspiration to consolidate their political independence acquired not that long ago with economic independence and their desire to achieve fairer relations with the industrially developed countries of the West. The states which have gained freedom recently reject, as a rule, unbidden guardianship.

The developing countries see the danger of NATO's turn toward the southeast and south. Thus the Indian journal MAINSTREAM evaluated as a threat to national security "the adoption of a strategy whose purpose is to involve NATO's military organization in events outside its traditional sphere of interests and, consequently, in conflict situations in the developing countries" (26).

We would recall that the USSR has put forward a whole number of initiatives like the proposal concerning the creation of a zone of peace in the Indian Ocean aimed at averting a process of the "partitioning" of the world into "zones of outside responsibility". These initiatives have been perceived with satisfaction by the countries threatened by the "friendly guardianship of NATO".

Present-day imperialism is attempting to find means and methods of combating the revolutionary changes of the era and the peoples' aspiration to independent development and social and economic progress.

What are the prospects of NATO evolving in the direction of an expansion of its geographical zone of operation? It is hard to give an unequivocal answer. The main country of the bloc--the United States--is actively urging the West European allies to adopt new commitments and incorporate in the "sphere of responsibility" new areas bordering the Mediterranean and the Indian Ocean. The West European NATO members are perceiving these ideas guardedly, apprehensive about following the reckless policy of American imperialism. Nonetheless, there is now no uniformity in the negative position of the West European part of the North Atlantic alliance. At least two countries--Britain and France--retain considerable ambitions and a military presence outside of the North Atlantic region. And whereas previously their actions "east of Suez" and in Africa were independent, an aspiration to a certain coordination of the actions of the main Western powers may be glimpsed in the British and French

positions. However, there is considerable distance between this desire and the formulation of a coordinated policy. Interimperialist contradictions are exerting a fettering influence on the plans of the supporters of the "globalization" of NATO's sphere of operation.

#### FOOTNOTES

1. THE NEW YORK TIMES, 4 December 1986.
2. D. Acheson, "Present at the Creation. My Years in the State Department," New York, 1970, p 367.
3. H. Cleveland, "NATO: The Transatlantic Bargain," New York, 1970, p 15.
4. See "Foreign Relations of the United States. The Conferences at Cairo and Tehran, 1943," Washington, 1953, p 344.
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6. "U.S. Foreign Policy for the 1970's. A New Strategy for Peace. Report by the President to the Congress. 1970, February 18," p 99.
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## PROSPECTS FOR NEW EAST PEACE EXAMINED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 43-56

[Article by Ye. Dmitriyev: "Near East Peace--Utopia or Reality?"]

[Excerpts]

### I

The calendar of memorable events which formed the underlying causes of the present Near East situation, which is extremely tense and dangerous for general peace, is highly significant in the year of 1987. The "round dates" of a whole number of events which were seemingly of local scale, but which were of tremendous significance in the history of the countries and peoples of the region and which were starting points for the long chain of phenomena which for many years determined this zigzag, change and strategem or the other of the Near East situation are commemorated in precisely this year.

The year of 1987 is the 70th anniversary of the adoption of the Balfour Declaration of sorry renown, named after the British foreign secretary of that time. This document, which Arab scholars rightly consider the cornerstone of the entire anti-Arab policy of imperialism in the 20th century, said, in part: "His majesty's government takes a benevolent view of the establishment in Palestine of a national home for the Jewish people and will lend all its endeavors to facilitate the accomplishment of this goal, and it is clearly understood, furthermore, that nothing should be done which might be detrimental to the civil or religious rights of the non-Jewish communities in Palestine" (5).

The Balfour Declaration pleased the Zionists to the extent that it might facilitate the speediest realization of their "supertask"--the creation of a purely Jewish state in Palestine. Nor, what is more, were the sympathies of British imperialism for the Zionist movement any secret. "Zionism," Lord Balfour said, "whether right or wrong, good or bad, ensues from long-standing tradition and corresponds to present needs and future hopes, whose significance is far deeper than the wishes or prejudices of the 700,000 Arabs living at the present time in this ancient land (in Palestine)" (6).

The idea of the possibility and desirability of the partitioning of Palestine between Arabs and Jews as a method of improving the permanently tense

situation at this "world crossroads" was expressed for the first time in 1937. This idea was set forth in the summary report of a British royal commission (the Peele Commission). Its recommendations suggested handing over to the control of the Jews the areas of Palestine adjoining the Mediterranean and the borders with Syria and Lebanon (that is, the most habitable and fertile), despite the fact that 90 percent of the said territories belonged to the Arabs and were settled by Arabs. Commissions like the one named were frequent guests in Palestine between the two world wars, but their activity did practically nothing for a solution of its problems.

A further decade, which was filled with events of world-historical significance, elapsed. WWII culminated in the rout of the most reactionary forces of imperialism--German fascism and Japanese militarism. There arose on the agenda the question of liberation from colonial dependence not only of individual countries and peoples but also whole continents. The winds of change reached the "colonial preserve"--the Near East region--also. By this time the situation in Palestine had been aggravated in the extreme. It being beyond the capacity of the mandate country (Great Britain) to cope with the increased chaos there, the latter brought up the Palestine question for discussion and a decision by the world community.

On 29 November 1947 the UN General Assembly voted for the partitioning of Palestine into two states--Arab and Jewish. The 40th anniversary of the "partition resolution" (8) is simultaneously the 40th anniversary of the start of the Zionists' undeclared broad-based war against the Arabs in Palestine and the armed expulsion of Palestinian Arabs from the territory on which they resided. The year of 1947 may be considered that of the emergence of the Palestinian problem as a set of questions of a political, legal, territorial, demographic and economic nature most directly concerning the fate of an entire people--the Arab people of Palestine.

## II

The Soviet Union originally supported the creation in Palestine, following abrogation of the British mandate, of a united Arab-Jewish state. However, in view of the impracticability of this idea, the USSR supported the partitioning of Palestine into two states and the creation of an international zone, to which Jerusalem would be allotted. The constructive influence of Soviet diplomacy on the work of the compilers of the "partition resolution" is noticeable in this document. It reflected the progressive constitutional principles of the future state formations--Arab and Jewish--and determined a procedure of their formation precluding the possibility of abuse, specifically in respect of the rights of the national and religious minorities. Resolution 181/II contained a demand concerning the adoption by both states of the commitment to pursue a peaceable foreign policy as an indispensable condition of their subsequent admission to the United Nations. There is no doubt that had Resolution 181/II been fulfilled, the conflict situation in the Near East would not have been of a chronically tense and dangerous nature.

The year of 1957 also was marked by a whole number of events in the Near East. The so-called "Eisenhower Doctrine" was proclaimed on 5 January of this year and approved by the U.S. Congress on 9 March. The main proposition of the

doctrine was the idea, steeped in a spirit of neocolonialism, concerning the incapacity of emergent peoples for building their statehood and developing the economy without the West's "assistance". In accordance with the propositions of the doctrine, the United States individually arrogated to itself the "right" to interfere in the internal affairs of countries of the region in the event of the emergence of a "political vacuum" or a threat of the "aggression of world communism" arising. The "Eisenhower Doctrine" was essentially Washington's unilateral attempt to legitimize armed imperialist intervention in the Near East as the principal instrument of the policy of the United States and its allies and a direct violation of the UN Charter and the rules of international law.

We would recall the events of 20 years ago. The year of 1967 was the year of Israel's aggression against three Arab countries--Egypt, Syria and Jordan--whose consequences have still not been removed. Primordial Arab territories were seized as a result of the aggression: the Sinai peninsula, the Gaza Strip, the West Bank of the Jordan, the Golan Heights, that is, the area adjacent to the town of Kuneitra, and East Jerusalem. The world community does not recognize the legitimacy of these seizures, which have become for Israel and its patrons the subject of a big political game and open political speculation, not to mention the considerable profits obtained by Tel Aviv as the result of the economic "assimilation" of the occupied territories. And the state of affairs is by no means altered by the fact that, withdrawing as a result of the Camp David accords concluded under the aegis of the United States his country from the ranks of the Arab states confronting the Israeli aggression and consenting to a whole number of major political concessions (specifically the conclusion in 1979 of the Egyptian-Israeli "peace" treaty), which are viewed in the Arab world as an infringement of Egypt's sovereignty and an abasement of its national dignity, the Sadat leadership of the Arab Republic of Egypt achieved the departure of the Israelis from practically the entire territory of Sinai.

The well-known Security Council Resolution 242 was passed in 1967 (22 November). It incorporated as principal clauses the principle of the impermissibility of the acquisition of territory by way of war, confirmation of the need to seek a just and lasting peace in the Near East, indication of the need for the withdrawal of Israeli armed forces from the Arab territories occupied as a result of the 1967 aggression and also a cessation of all claims or states of war and respect for and recognition of the sovereignty, territorial integrity and political independence of all states of the region without exception and their right to live in peace within secure and recognized borders, not subject to threats or the use of force. Although the adopted document was seemingly of a comprehensive and, as a whole, balanced nature, it failed to take account of a most important component of a Near East settlement, the core thereof--the need for a constructive solution of the Palestine problem on the paths of the granting to its indigenous inhabitants of the right to self-determination. In Resolution 242 the Palestinian question is seen exclusively as a problem of refugees.

Let us leaf on through the calendar.... October 1, 1977 was the day the joint Soviet-American statement on the Near East--one of the few truly balanced documents, which, had it been realized, could have cardinally changed the



situation in the region and created the necessary conditions there for the long-term constructive settlement of the conflict situation on the basis of justice for all--was issued. However, under the pressure of Israel and Zionist circles in the United States President J. Carter completely disavowed the content of the joint statement literally 4 days after it had been promulgated. The American-Israeli "working paper" issued on 5 October 1977 showed that Washington was abandoning the search for a just, balanced solution of the Near East situation and the Palestine problem as its main component in cooperation with other states, primarily the Soviet Union.

Ten years ago, in November 1977, then Egyptian President A. Sadat, having paid an official visit to Israel and thereby having counterposed himself to the entire Arab world, virtually signed his own death warrant. A special statement of the PLO Executive Committee described this step as follows: "Sadat's decision to visit Israel is a departure from the sacred principles of the Arab nation's struggle for liberation of the occupied Arab territories and an insult to the memory of the victims of the Palestinian people who have fallen in the struggle against Israel. This step of Sadat's ignores the decisions of inter-Arab summits, the gains of the October war and the principles of inter-Arab solidarity" (9).

A further tragic "jubilee" will be commemorated in 1987--the fifth anniversary of the Israeli invasion of Lebanon. The aggression against the sovereign Arab state and the Palestinian formations there, which was a direct consequence of the Camp David compact, did not achieve its ends. The huge invasion force was unable to accomplish the main mission--eliminating the military formations of the Palestine Resistance Movement. Proceeding from the fact that an atmosphere conducive to the foisting on the Arabs of American-Israeli outlines of a Near East settlement had emerged in the fall of 1982, the White House hastened to make public the so-called "Reagan Plan," the basis of which were the Camp David accords, which were virtually bankrupt by that time. The "Reagan Plan" was rightly characterized by the world community as a manifestation of the U.S. Administration's endeavor to somehow excuse itself for its participation in the crimes of the Israeli aggressors in Lebanon.

An impressive counterweight to the "Reagan Plan" was the Fez Initiative--a program of a Near East settlement approved at a meeting of Arab states at top level in Fez (Morocco) in September 1982. The eight points of the all-Arab plan were formulated as follows: "Israel's withdrawal from all Arab territories occupied in 1967, including the Arab part of Jerusalem; destruction of the Israeli settlements built on occupied Arab territory since 1967; assurances for the practice of religious rites for the representatives of all beliefs in the "holy places"; confirmation of the right of the Palestinian people to self-determination and realization of their inalienable national rights under the leadership of the PLO--their sole legitimate representative; payment of compensation to Palestinians who do not wish to return; establishment for the West Bank of the Jordan and the Gaza Strip of a transitional period under the observation of the United Nations, whose duration would not be more than several months; creation of an independent Palestinian state with its capital in East Jerusalem; the UN Security Council vouching for peace between all states of the region, including the Palestinian

state; the UN Security Council vouching for implementation of these principles" (10).

The year of 1987 will, finally, be the fifth anniversary of the USSR's broad-based proposals on questions of a Near East settlement of 15 September 1982, subsequently repeatedly confirmed and commented upon in detail in the speeches of Soviet leaders. The well-known six points of these proposals have as their dependable basis in international law the specific decisions of the UN Security Council and General Assembly. Political observers drew attention to the fact that the Soviet proposals of 15 September 1982 are very close to the propositions of the Fez Initiative. They are based on the need for observance of the principle of justice for all and are a sound basis for a possible long-term and really constructive settlement of the difficult, delicate and multi-aspectual problems of the region.

### III

A retrospective look at the main "jubilee dates" of the situation in the region which fall due in the present year shows that the problem of a Near East settlement has for many decades remained a most important issue of political and diplomatic struggle. The unsettled state of the situation in the Near East is poisoning the political atmosphere in the region and contributing to a permanent and frequently fitful growth of international tension, which the whole world has witnessed repeatedly.

Imperialist, Zionist and reactionary forces are very concerned to maintain a constant high pitch of tension here. Their interest is brought about far from least by the fact that Tel Aviv's aggressive policy in relation to its Arab neighbors and the "besieged fortress" atmosphere, which is persistently maintained and implanted in Israel, have led to the sociopolitical and class aspects of the struggle of the Arab peoples and the Israeli people having been glossed over, as it were, and to openly nationalist and, in a number of cases, rightwing-nationalist forces having bestirred themselves in the political life of the Near East. The slogans and practical actions of these forces are blurring, blunting and, at times, forcibly limiting the possibilities of the development of the peoples' class struggle. For this reason there can be no doubt that the elimination of the dangerous center of international tension which the Arab-Israeli conflict is would emancipate the healthy sociopolitical forces of the region.

Until most recently this part of the world was rightly considered an arena of bitter clashes between imperialism and reaction on the one hand and national liberation, progressive forces on the other. The efforts of imperialism, primarily of the United States and Israel, have for many years been aimed at eroding and emasculating the anti-imperialist content of the Arab national liberation movement and the localization and limitation of the possibilities of its impact on the situation in the Arab world. With Tel Aviv's direct assistance Washington is doing everything to keep the Near East in the sphere of its political and economic influence and transform the "combustible material" accumulating there into inter-nation, regional and other conflicts of analogous content, but by no means class-based inasmuch as it understands full well what a very big defeat--political, moral, economic, military-

strategic--the West would sustain were it one fine day to lose control over the region.

Whence the policy of military-power pressure to which imperialism has been resorting increasingly actively recently as a method of solving problems which arise in relations with the Arab world. The "asphalter" of Washington's Near East policy and the unconcealed attempts to seek a solution of complex aspects of the Near East situation through the prism of Israeli interests and the global Soviet-American confrontation are considered in the Washington administration a perfectly dependable guarantee of the United States' positions in the region.

The growing separation of the Arab ranks is undoubtedly conducive to the maturation and realization of the anti-Arab plans of the imperialist powers, primarily the United States. There is currently in the Near East a certain "ebbing" of the national liberation movement, a growth of centrifugal forces and increased delineation on an ideological, political and economic basis. This is just as apparent as the fact that the Arab world is, as before, full of anti-imperialist potential.

This contradictory unity of two seemingly incompatible aspects of the overall situation in the region may be discerned in a whole number of recent events and phenomena. Such examples can also be seen in the activity of the Palestine Resistance Movement (PRM), which is rightly seen by the Arab and world community as the vanguard of the Arab national liberation movement. The split in the PRM, which is a consequence of the readiness of center-right circles to consent to a compromise with the United States and, ultimately, with Israel on such issues as the creation of an independent Palestinian state and the place and role of the PLO in negotiations on a Near East settlement, has summoned into being a growth of unification trends aimed at restoration of the unity of the PLO and normalization of the situation in the PRM as a whole. It is no accident that the idea of "national dialogue" is being supported to the utmost currently even by the Palestinian circles which considered compliance with the clauses of the 11 February 1985 Jordanian-Palestinian agreement the optimum solution of the Palestinian problem and gave no thought to its possible consequences. But among these consequences were the sharp polarization of the forces constituting the PRM, an increase in the direct dependence of its various detachments on groups of and individual Arab countries and the creation of Palestinian "structures" alternative to the PLO designed to render the split in the PRM irreversible.

The present situation in the Near East is also characterized by the fact that under the conditions of the escalation of the military-power pressure of imperialism on the Arab countries, the infringement of their sovereignty and acts of direct aggression the ideas of national and social liberation and practical slogans of anti-imperialist struggle are becoming increasingly intelligible to the broad masses of the Arab peoples if they simultaneously contain a certain nationalist charge. V.I. Lenin once said, addressing the communists of eastern countries: "You will have to take as a basis the bourgeois nationalism which is being awakened in these peoples and cannot fail to be awakened and which is historically justified" (11).

I believe that this instruction of Lenin's has retained its significance today also. Indeed, we see in the Near East that the clashes of truly progressive and nationalist forces have repeatedly led to the most tragic consequences and a weakening of the general front of anti-imperialist struggle. At the same time, however, it is highly significant that Arab nationalism has for a long time been the slogan and political practice of the bourgeoisie of many Arab countries. True, at the present time the integration possibilities of Arab nationalism and pan-Arabism have diminished to a certain extent. The political potential of "Islamic solidarity" is growing, and a process called by Western scholars the "resurgence of Islam" is developing in pulsating fashion in the region.

The "Islamic factor" has undoubtedly had a certain impact on the directions of the development of the revolutionary process in Arab countries of Asia and Africa. It may be considered that it has even become an integral part of this process to a certain extent. Indeed, the maturation and appearance of unique political systems like that which exists currently in Iran are possible precisely under the conditions of the "Islamic boom" and the situation of the weakness of a truly revolutionary vanguard and the separation of national and patriotic forces both within the framework of individual countries and within the framework of the Arab world as a whole. The emergence of such structures may be seen as a manifestation of the distinctiveness of the revolutionary process in the Arab East.

The intensifying class and political stratification here is a nutrient medium for the development of the revolutionary process, and it is the "Islamic factor" which is the distinctive catalyst of this process. Some political observers in the Arab world believe that the upsurge of Islamic fundamentalist sentiments is a disquieting symptom fraught with dangers for certain Arab regimes. M.H. Heikal, the prominent Egyptian public figure and journalist, pointed out in an interview that "in the absence of a firm policy capable of channeling the enthusiasm of our youth in the necessary direction and in the present context of economic difficulties and social alienation the fundamentalist wave could be really dangerous" (12). Although Heikal was referring to the situation in Egypt, his assessments merit attention for they are essentially applicable to other Arab countries also.

The vast majority of Islamic currents is characterized by anti-imperialism, more precisely, an "anti-Westernism" directly reflected in a whole number of parameters of the foreign and domestic policy of a number of Arab states. At the same time the "Islamic factor" is complicating the activity of the truly progressive forces and impeding the spread of the ideas of scientific socialism. This point is being used actively by the Western powers, which believe that it will be quite easy to push the Islamic currents onto the path of anti-Sovietism and anticommunism. However, such attempts are in the long term doomed to fail. Truly, it is difficult for any length of time orienting "Islamic radicals" toward a struggle against "atheistic communism" while they see daily the manifestation of actual support for the national liberation struggle of the Muslim countries on the part of the USSR, as, equally, instances of the West's direct interference in Arab countries' affairs.

It cannot be precluded that at some stage of the development of the Arab world the "Islamic factor" will be capable to a decisive extent of exerting an influence on the positions of this force or the other in the struggle for complete authority. It is for this reason that the leaders of many Arab states are making active use in their policy of Islamic slogans and terminology in order to secure themselves against a possible flareup of religious militancy in the mood of the broad masses capable of considerably changing the political character of this country or the other. At the same time, on the other hand, surely still fresh in the minds of many people is the fate of Sadat, who gave abundant assurances of his devotion to Islam, promoted the introduction of the provisions of the sharia to the Egyptian Constitution and attempted to use the anticommunism and anti-Sovietism of the Islamic fundamentalists in his own interests, but who was assassinated at precisely their hands.

#### IV

The struggle for the achievement of a just, long-term settlement of the conflict situation in the Near East is thus unfolding against a background of the increasingly complex and exacerbated general situation in this part of the world and a deepening of the contradictions between the imperial, essentially predatory policy of the United States and the interests of the peoples of the Arab countries. Imperialism is managing as yet to attain its ends in the region for the reason that a profound, tragic discrepancy between the revolutionary potentialities of the countries and peoples of the Near East and the incapacity and frequently reluctance of many Arab leaders to bring matters to the point of realization of these potentialities in practical policy continues there.

The aspiration of the broad Arab masses to unity of action and cohesion on an anti-imperialist basis is common knowledge. However, it happens in practice that many leaders paying lipservice in every possible way to Arab solidarity are essentially parasitizing on this slogan inasmuch as they have long since cast overboard the banner of Arab unity. The progressive forces of the Arab world are capable of raising this banner and rallying the broad masses around it. After all, the struggle for genuine Arab unity is primarily a struggle for winning the sympathies of the masses and preventing the leadership in the revolutionary process being intercepted by conservative forces, as was the case in Iran.

The struggle for Arab unity is most closely connected with the prospects of the elimination of the continued center of serious international tension in the Near East region.

The 27th CPSU Congress set the task of the unblocking of conflict international situations, including, naturally, the Near East situation, as a most important task of the current stage of international relations. A whole number of features determining the complexity of the Near East situation and impeding a settlement being reached on the basis of the principle of justice for all continues, despite the consistent efforts of the peace-loving forces, right up to the present. We may point to the following circumstances, which are truly creating seemingly insurmountable difficulties on the paths of the achievement of a constructive and long-term Near East settlement:

Israel's refusal to liberate the primordial Arab territories captured in 1967, including East Jerusalem, the actions of the Israeli leadership pertaining to the political attachment and economic integration of these territories and use of the problem of the occupied territories for the purpose of outright political bargaining;

the refusal of the United States and Israel to recognize the legitimacy of the demands of the Palestinian Arabs concerning satisfaction of their legitimate national rights, including the right to self-determination, the unwillingness of Tel Aviv and Washington to recognize the obvious fact that the Palestinian problem is the pivot and core of the Near East conflict and the endeavor of the United States and Israel to ignore the PLO, which is recognized by the UN General Assembly and other international organizations as the sole legitimate representative of the Arab people of Palestine and equal participant in all international forums at which questions concerning the fate of the Arab Palestinian people are broached in this form or the other;

the absence of a common Arab position on the problem of a Near East settlement, the split in Palestinian ranks and the serious disagreements in the Arab world in respect of the Iran-Iraq war, which in almost 7 years has already resulted for the two neighbor countries in the death of hundreds of thousands of people and tremendous material losses and is creating conditions conducive to increased imperialist interference in the affairs of the region;

the resistance of Washington and Tel Aviv to the search for a solution of the Near East conflict on the paths of collective efforts within the framework of an international conference specially convened for this and the endeavor of the American and Israeli leadership to reduce the entire settlement process to bilateral separate Arab-Israeli deals achieved with the direct participation and under the pressure of an "impartial mediator"--the United States;

the United States' rejection of joint or, at least, parallel actions with the USSR pertaining to a search for a "settlement formula" acceptable to all.

The Soviet Union has, as is known, long been proposing the convening of an international conference on the Near East. This proposal has been commented upon repeatedly and supplemented by a whole number of new nuances, concerning, for example, the participation therein of all five great powers which are permanent members of the UN Security Council and the possibility of the creation within the framework of the international conference of bilateral committees as its working groups (bodies). The convening of the conference could contribute to the constructive solution of a whole number of complex and delicate problems constituting the complex of a Near East settlement. It is common knowledge that right up to the present Israel has refused to recognize the PLO and conduct any negotiations with it. For understandable reasons nor is the latter consenting to an act of official recognition of Israel, although there have already been statements by a number of Palestinian leaders in the sense that the PLO is prepared to recognize all UN resolutions on the Palestinian problem and, consequently, the resolution on the partitioning of Palestine which formally "consecrated" the creation of the Israeli state. It may be said, evidently, that a mutual act of de jure recognition of Israel and

the PLO would be their participation in an international conference, if, naturally, both sides displayed a truly constructive approach to the search for a mutually acceptable "peace formula".

At one time, in October 1973, an understanding was reached between the Soviet Union and the United States that an international conference would be held "under the appropriate aegis," and it was clearly understood, what is more, that it would be a question of a Soviet-American aegis and the institution of the cochairmanship of the USSR and the United States at the conference. As is known, Soviet-American relations at the present time leave much to be desired, and the top-level meetings in Geneva and Reykjavik showed that the White House is incapable of thinking and deciding expansively.

At the same time, however, pseudo-peacemaking phraseology, the unabashed juggling of the facts and the browbeating of individual countries have long been favorite methods of Washington politicians. Nor is the U.S. Administration shunning these methods in respect of Near East affairs. It mistakenly believes, furthermore, that the USSR has been condemned by the development of events in this region to "rearguard battles" and that the present situation in the region corresponds to a considerable extent to U.S. interests and that its evolution will inevitably proceed per the American scenario. Ultimately all this, the White House believes, is to lead to the conversion of the Near East into a launch pad for American missiles targeted at Soviet territory.

While complaining about the continuing considerable differences in the positions of the parties to the conflict and unwilling to recognize the true realities of the Near East situation and the dynamism of its development Washington has found itself in the grip of its own demagogic cliches and has essentially become a direct participant in the conflict in the region. Closing its eyes to the state terrorism of Israel and by its policy encouraging it, the United States has as a result itself proven to be a victim of terrorism. It is no secret that American institutions overseas (embassies, offices of various companies, cultural centers) have become the target of terrorist actions on the part of a whole number of organizations of both a leftist and rightwing persuasion. The sensational hostage-taking of U.S. Embassy employees in Tehran, similar actions of a lesser scale in Lebanon and the deaths of the American marines in Beirut were not accidental. They were a distinctive (too distinctive even, perhaps) reaction to the American policy of utmost support for Israel and the White House's refusal to go at least some way toward accommodating the just demands and cherished aspirations of the Arab and Muslim world.

Washington cites as an obstacle in the way of a long-term and guaranteed Near East peace the lack of a common approach to the form of a possible Arab-Israeli exchange of opinions--whether an international conference, direct negotiations or negotiations per the so-called "Rhodes formula," that is, via an intermediary, as was the case in 1949 in the course of the negotiations on the formulation of the truce agreements following the 1948-1949 "Palestine War". This position of the Americans in respect of the problem of the quest for a solution of the Near East conflict is facilitated by the fact that many Arab leaders are constantly declaring the impossibility of direct negotiations

between the parties to the conflict, while the Israeli leadership, on the other hand, considers such negotiations the sole possible method of its settlement. Thus while declaring the desirability of the speediest start on Israeli-Jordanian negotiations, which could lend new impetus to the "peacemaking process" per the American scenario, the new prime minister of Israel, Y. Shamir, who replaced S. Peres in rotation, observed: "The government will endeavor untiringly to create conditions whereby Israel and Jordan may live in peace, side by side with one another. But we will be unable to achieve this goal without direct and free negotiations tete-a-tete. No international forum can substitute for direct negotiations" (13). Other Israeli leaders have expressed themselves similarly also.

Judging by Western press publications, the Egyptian leadership has recently been engaged in an active search for a symbiosis of the idea of an international Near East conference and direct Arab-Israeli negotiations. I. al-Majid, foreign minister of the Arab Republic of Egypt, pointed in an interview to the contacts taking place between American and Egyptian official representatives, in the course of which Cairo was setting forth its viewpoint amounting to the fact that "direct negotiations between the parties are envisaged within the framework of an international conference."

The "direct negotiations" card, to the playing of which the Israeli leadership is once again attempting to resort, is a proven means of obstruction of any efforts pertaining to a search for a "peace formula" in the Near East. A card, it must be acknowledged, which is "marked" and has been covered repeatedly. After all, even the Soviet proposals of 30 July 1984, which were evaluated by Israeli and American propaganda as "one-sided" and "pro-Arab," spoke directly of the possibility of the creation--in the event of a start of an international conference--of bilateral committees as conference working groups, that is, the practicability of tete-a-tete Arab-Israeli meetings at the negotiating table was recognized in practice. In other words, it would not be a mistake to believe that the problem of direct Arab-Israeli negotiations would be removed and would assume a frankly routine and purely formal nature as soon as a Near East conference began its work.

The reluctance to solve the Palestinian problem constructively displayed by the United States and Israel has posed as a key issue the question of the form of Palestinian representation at a conference. Judging by Western and Arab press reports, it could be a question of a separate delegation or the inclusion of representatives of the Palestinians in an all-Arab delegation or of their participation in a conference as part of a Jordanian delegation. The latter was essentially envisaged by the 11 February 1985 Jordanian-Palestinian agreement, which was annulled in the course of the Palestine National Council session in April 1987.

The refusal to recognize the PLO and to negotiate with it in any form, which has become a principle of American and Israeli policy, reflects the assessment by the leaders of the United States and Israel of the present situation in the region. This assessment is essentially based on their hopes that the difficulties being experienced by the PRM are of an insurmountable nature and that the "Palestinian factor" will in time lose its significance in the ranks of factors determining the development of the situation in the Near East.



The groundlessness of such calculations is obvious. The aspiration of practically all detachments and groupings in the PRM to decide intra-Palestinian affairs on the basis of constructive "democratic dialogue" and respect for one another's opinion with reliance on the progressive forces of the Arab world and on paths of cooperation with them is knocking the ground from under the feet of those who would like to "settle" the Palestinian problem on the basis of the notorious "administrative autonomy," which is designed to consolidate the occupation of primordial Arab (Palestinian) territory and deprive the Arab people of Palestine of their legitimate right to self-determination. The formulation of a political action program acceptable to the entire PRM and the normalization of Syrian-Palestinian relations are hampering to the utmost the open and secret enemies of the Arab people of Palestine. The hardening of the anti-Palestinian position of the United States is leading, however, to the opposite results for Washington--practicable conditions are being created for intra-Palestinian reconciliation, inter-Arab disagreements on a whole number of aspects of the present Near East situation are gradually being removed and ways of settling the Palestinian problem acceptable to all Arabs are crystallizing.

Wishing to complicate as much as possible the achievement of a just and lasting peace in the Near East, Washington and Tel Aviv are advancing as an "argument" allegedly impeding its establishment on a balanced and mutually acceptable basis the absence of normal diplomatic relations between the USSR and Israel. Thus E. Bronfman, chairman of the World Jewish Congress, emphasized at a session devoted to the 50th anniversary of this organization: "If the Soviet Union does not have full diplomatic relations with Israel, it will not be able to sit at the table of the Near East peace negotiations" (14).

Publishing the most diverse speculations concerning the question of Soviet-Israeli relations and not stopping short at the unabashed twisting of well-known facts, the Israeli press is attempting to play up the notorious "problem of Soviet Jews". At all its meetings with U.S. Administration representatives the Israeli leadership demand that this artificially created, frankly provocative "problem" be permanently on the agenda of all Soviet-American negotiations. The Israeli Government is hereby endeavoring to make its "contribution" to the business of complicating relations between the USSR and the United States. The Israeli press is intimidating the man in the street with the possibilities of a Soviet-American rapprochement, whereby, allegedly, "Israel will be excluded from any peace process and will become fully dependent on the whim of the U.S. Administration.... Such a policy would not only make Israel's position very vulnerable but would be a direct challenge to Israel's existence as an independent state" (15).

That the question of the "fate of Soviet Jews" is of a contrived, provocative and demagogic nature is confirmed by the reports which appear in the Israeli press from time to time on the difficulties of the "absorption period" for former Soviet citizens and the serious difficulties of an economic, demographic and even political nature which would inevitably confront Israel's Zionist leaders in the event of an extensive influx of "Soviet Jews" into this country. "A new phenomenon is emerging," the JERUSALEM POST writes.

"Immigrants arriving in Israel are joining with the extreme right orthodox neo-Zionists or even joining anti-Zionist groupings" (16).

Political observers in Israel are increasingly often forced to acknowledge that the absence of Soviet-Israeli diplomatic relations is in no way reflected in the USSR's positions in the region. "The leading role of the Soviet Union as the main military and political ally of the majority of Arab countries and the PLO," the JERUSALEM POST, for example, wrote, "makes it a participant in any in the least way serious Near East peace process which can in no way be ignored.... Its absence in any final agreement is inconceivable" (17).

## V

The development of the situation in the region is constantly "illuminating" this aspect or the other of the overall problem of a Near East settlement, confirming for the umpteenth time its entire complexity and multilevel nature. The scrupulousness of the USSR's policy of a peaceful solution of all aspects of the settlement problem and a solution of contentious issues of Arab-Israeli relations which is constructive, long-term and guaranteed by the international community is manifested in particular relief against this background. The Soviet proposals pertaining to a Near East settlement are acceptable to all sides involved in the conflict--they are based on the principle of justice for all and are of a balanced nature.

But what will be the answer to the question made the title of the article: the utopia or reality of peace in the region? No one, of course, can give an unequivocal answer to this question.

A Near East settlement will be perfectly attainable when all parties involved in the conflict begin to recognize that the continuing explosive situation in the region could at any moment get out of control for the arms race, which is dragging the states located here into its channel, is becoming increasingly dangerous and reducing to nothing the efforts aimed at a normalization of the situation in this part of the world.

Peace in the Near East could be a reality if the Israeli leadership renounces the policy of expansion and war in relation to its Arab neighbors, ceases to put its hopes solely in military methods of a solution of existing disputes and views the situation in the region in sober and balanced fashion and when it, finally, understands that the Palestinian problem remains a decisive factor influencing the evolution of the Near East situation and that it depends on the solution of this question whether the "besieged fortress" atmosphere continues in Israel or the people of this country, having cast off the Zionist "blindness," are able to find a "formula of coexistence" with the Arab countries.

A settlement in the region will be perfectly practicable if it ceases to be a military-political proving ground of the United States and a venue for the practicing of power methods in foreign policy and when Washington understands that respect for its own signature to fundamental documents of international law is an indispensable condition of the preservation of its authority in the eyes of the countries and peoples of the region and that the growing wave of

anti-Americanism is not a consequence of "Kremlin intrigues" but the logical result of the bankrupt neocolonial policy of the United States itself.

Genuine peace in the Near East will come considerably closer when Washington recognizes that without the Soviet Union all, the most resourceful, settlement plans will tear like gossamer and that the firmness of the USSR's political positions in the region and the magnetic force of its foreign policy actions are based on the fact that Soviet policy in the Near East has been and is being built with unfailing regard for the legitimate national interests of all countries and peoples of this region.

The Near East conflict could be eliminated if a realistic common Arab position on questions of its settlement is formulated which is underpinned by the joint efforts of all Arab states and when the Palestinian problem is really the national cause of all Arabs and not a subject of political speculation and a field of confrontation of the political ambitions of individual Arab leaders.

Constructive, equal dialogue and consideration of the opinions of all the parties to the conflict are more essential for unblocking the conflict situation in the Near East than any other. Only in an atmosphere of productive dialogue is it possible to lessen appreciably the scale of the existing disagreements and find ways of ensuring mutual security. Being unwilling to understand these elementary truths means knowingly closing off all possible paths of putting an end to the explosive situation in the region.

The struggle for the establishment of a firm and just peace in the Near East was and remains a most important foreign policy priority of the Soviet Union. A statement of the USSR Foreign Ministry of 8 January 1987 says that "the struggle for a just and all-embracing Near East settlement is entering a qualitatively new stage.... The main thing now is to begin the movement toward finally untying the knot of tension in the Near East, which is dangerous for all," in order within the framework of bilateral contacts and multilateral discussions to work out the standing orders of work on the preparation of a peace conference.

An important step in the direction of the practical unblocking of the conflict situation in the region was taken by the UN General Assembly, which in Resolution 41/43D confirmed the need for the convening of an international Near East conference and called for the creation within the Security Council framework of a preparatory committee with the participation of all the council's permanent members for the adoption of the necessary measures pertaining to the convening of such a conference. The international community thereby approved and supported the widely known Soviet peace initiative.

Preservation of the progressive potentialities of the Arab national liberation movement combined with the consistent efforts of the Soviet Union, the other socialist countries and all peace-loving forces to unblock the conflict situation in the Near East makes it possible to view the evolution of the general situation in this part of the world with a certain and, as a whole, justified historical optimism.

#### FOOTNOTES

5. "Sources and History of the Palestine Problem," part I, 1917-1947, United Nations, New York, 1978, p 8.
6. Quoted from C. Sykes, "Cross Roads to Israel," London, 1965, p 13.
8. According to UN General Assembly Resolution 181/II of 29 November 1947, the creation in Palestine of a Jewish state (area of 14,100 square km, 56 percent of its territory and population of approximately 510,000 Arabs, including the Bedouin tribes, and 499,000 Jews); an Arab state (area of 11,100 square km, 43 percent of its territory and population of 549,000 Arabs and 95,000 Jews) and an international zone of Jerusalem and its suburbs (1 percent of the territory of Palestine, population of over 105,000 Arabs and approximately 60,000 Jews) was proposed. Resolution 181/II provided for an economic and customs union of the two future states, a common currency, unity of the transport system and supply lines and joint use of the irrigation system. In accordance with the provisions of the resolution, the British occupation forces were to have been withdrawn from Palestine by 1 August 1948. The term of the British mandate for Palestine would end at that time. Proclamation of the independence of the two states was envisaged for not later than 1 October 1948. As a result of the first Arab-Israeli (so-called "Palestine") war of 1948-1959 the Arab state did not emerge, and the greater part of its territory ended up under Israeli control. The West Bank of the Jordan passed to Jordan, and the Gaza Strip, to Egypt, and Jerusalem was divided between Israel and Jordan.
9. AN-NAHAR (Beirut), 19 November 1977 (in Arabic).
10. Quoted from "International Yearbook. Politics and Economics," Moscow, 1983, p 219.
11. V.I. Lenin, "Complete Works," vol 39, p 330.
12. POLITIQUE INTERNATIONALE No 32, 1986, p 112.
13. "Statement in the Knesset by Yitzhak Shamir on Forming of Government," 20 October 1986, p 6.
14. THE JERUSALEM POST, 29 January 1986, p 6.
15. Ibid., 9 October 1985, p 8.

16. Ibid., 15 November 1985, p 11.

17. Ibid., 8 November 1985, p 20.

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## EFFECT OF S&T REVOLUTION ON HUMAN FACTOR

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 57-69

[Article by I. Ivanov: "The Problem of the Human Factor at the Current Stage of the S&T Revolution and the Contradictions of Capitalism"]

[Text] As the S&T revolution develops, the dialectical unity of the material and spiritual principles of S&T progress appears increasingly clearly. In perfecting the implements of production man is extending his scientific idea of the world, knowhow and labor skills. At the basis of this process are the objective regularities of the development of scientific cognition, the determining part in which is played by practice, which is the criterion of truth.

The new stage of the S&T revolution which began on the frontier of the 1980's and which is connected with revolutionary changes in technology also signifies an important new level in the development of the main productive force of society--man himself. The considerable rise in the overall technical standard and skills of manpower and the broadening and enrichment of what K. Marx called general social knowledge and its conversion into a direct productive force (1) have made possible the appearance of a whole set of new technologies, the leading role in which is performed by microelectronics. In turn, the revolutionary changes in information technology are enhancing man's intellectual possibilities, arming him with weapons for tackling fundamentally new tasks in the sphere of the control of physical and biological processes and creating the technical possibilities for the all-around creative development of the personality.

### I

Under the conditions of the new stage of the S&T revolution, which is distinguished by a general enhancement of the science-intensity of production, nonmaterial accumulation--scientific learning, knowhow, skills, organizational principles--is acquiring decisive significance for the progress of the economy. They form the basis of the development of fundamentally new industries and a rise in product quality.

The accelerated process of the renewal of output connected with the fundamental change in its consumer properties is having a profound impact on the entire mechanism of contemporary economic progress, moving to the fore the role of quality parameters. The rate of economic growth depends not so much on an increase in the overall amount of production as on the depth of the structural changes and the improvement in the quality of output. With the appearance of the new goods and services the traditional types, which are being replaced in the course of the structural reorganization, are becoming obsolescent.

The entire engineering base producing such products is becoming obsolescent also. Whence the tremendous role of flexible automation--robots, machining centers and flexible manufacturing systems. As distinct from inflexible automation, such equipment makes it possible to rapidly restructure production, enhancing the precision of the machining of parts and increasing labor productivity.

The new-generation information technology is the locomotive of contemporary S&T progress. It is becoming the basis of all the latest techniques, transforming all types of production and leading to revolutionary changes in the sphere of the data base organization and management of the main spheres of the economy. It has a key role in the enhancement of the overall efficiency of production, which is being secured by a reduction in the cost of a unit of data processed, continuous progress in the sphere of the miniaturization of computers and an increase in their power and speed.

In 1971 the integrated circuit on a silicon chip contained 1K of data at a cost of 1 American cent per byte. In 1981 the capacity of the IC increased to 16K, while the cost per byte had fallen to 0.01 cents. In 1983 the mass production of chips with 64K capacity at a cost per byte of 0.005 cents began. Currently computer chips with a capacity of 256K are being manufactured, and the cost per byte has fallen to 0.001 cents (2).

Government research programs aimed at a further increase in chip capacity and the the speed of computers are operating in the main capitalist countries.

It is expected that by the end of the 1980's chips with a capacity of 4,000K, and by the mid-1990's, 16,000K could be appearing. Changes in the specifications of the chips are leading to considerable qualitative changes in the computers. Work is being performed on the creation of fifth-generation computers, the basic operational unit of which are logic blocks. A block capable of effecting 200,000 logical conclusions per second has been designed in Japan.

The development of information technology along the path of the creation of artificial intelligence is posing the question: how is the role of man changing in the system of production and in the economy as a whole, is the human factor not losing its significance as computers are perfected and people-free production is developed?

Some bourgeois scientists are concluding, under the influence of the successes of electronics, that man's role in production is diminishing as the technology

becomes more complex and the level of automation rises. The American economist W. Leontief wrote that the same is happening with man in the production system as once happened with the horse--he is being superseded by machines (3).

This approach loses sight of the core of S&T progress--the mass innovation process, that is, the elaboration and development of fundamentally new types of technology and end product, which is bringing about structural changes in the economy and the appearance of new and the winding up of obsolete industries and sectors. The basis of this process is intensive research work acquiring increasingly great significance for the development of production. While arming research scientists and developers with new methods of analysis and collation, the most accomplished information technology cannot at the same time substitute for their creative assertiveness and intuition. This applies not only to the elite group of researchers and designers but also the broad stratum of engineering-technical personnel and workers called on to manufacture, install, adjust, service and repair complex data and automated systems.

At the same time man's role cannot be reduced to the purely instrumental function of a factor of production.

The technical sophistication of production is not an end in itself. The intricate flexible automation systems and microprocessor technology are ultimately designed to satisfy the growing needs of man and, through him, all of society. The main content of the S&T revolution is the development of the creative personality with its growing spiritual and material requirements.

The development of requirements is most closely connected with the improvement of society's productive forces. Social needs stimulate the progress of production, and it, in turn, summons into being new reference points. This dialectical unity, which was formulated by V.I. Lenin in the law of rising requirements (4), is being manifested particularly clearly at the current stage of the S&T revolution.

The "microelectronics revolution" has been the answer to the growing requirements in the sphere of the acquisition and processing of information, education and culture, an improvement in work, social and recreational conditions and the upgrading of medical services. It has led to appreciable changes in the structure of consumption of broad strata of the population. Microelectronics are becoming a part of everyday life, upgrading many traditional consumer commodities (cars, housewares, toys) and summoning into being fundamentally new types thereof (primarily PC's). Essential changes are occurring in the sphere of consumer services, where new types of engineering and information services are becoming increasingly widespread, as are new forms and methods of service in the field of education, health care and recreation. In the period 1970-1984 total spending on services in the sphere of personal consumption in the United States grew (1972 prices) from \$299.3 to \$490.8 billion. And Americans' overall personal consumption in the said period increased from \$672.1 billion to \$1,062,400,000,000 (5).

The appreciable expansion of the domestic market has been an important factor of S&T progress in the industrially developed capitalist countries. A



considerable part is being played here not only by the expansion of effective demand for new types of goods and services but also their impact on the process of formation of a highly skilled labor force, without which S&T progress is impossible. "In order to transform human nature such that it acquire training and skills in a particular branch of labor and become a developed and specific labor force a particular education or training is required, which, in turn, costs a greater or lesser sum of commodity equivalents. These costs of education differ depending on the skills of the labor force. Consequently, these costs of training--absolutely negligible for the customary labor force--become a part of the range of costs consumed in producing it" (6).

Under current conditions, when the complexity of wage labor is growing, expenditure on the general and special training of manpower constitutes an increasingly significant value. For example, total outlays in the United States on the education and training of personnel increased from \$70.4 billion in 1970 to \$240 billion in 1985 (7).

Despite the considerable overall growth of consumption in the industrially developed capitalist countries, the contradictions of the reproduction process under the conditions of the new stage of the S&T revolution are increasing. They are connected with the exacerbation of the main contradiction of capitalism--between the social nature of production and the private-capitalist mode of appropriation. The new technologies are creating objective opportunities for the tremendous growth of the overall volume of goods and services. The private-capitalist nature of appropriation is limiting the development of effective demand, which is corresponding increasingly less to the real development of social requirements. This is being expressed in the trend of a reduction in the rate of growth of spending on private consumption in the main capitalist countries. The dynamics of this spending as a whole in the OECD countries constituted (1980 prices) \$2.054 trillion in 1960, \$3.31 trillion in 1970, \$4.646 trillion in 1980 and \$4.888 trillion in 1983. The average annual growth rate, consequently, was 4.9 percent in the period 1960-1970; 3.4 percent in 1970-1980; and 1.7 percent in 1980-1983 (8). The soundness of this indicator may be questioned in connection with the economic crisis of the start of the 1980's and the unduly brief time interval. But even later data for 1982-1985 pertaining to the dynamics of spending on private consumption in the main capitalist countries (United States, Japan, FRG, France, Great Britain, Italy and Canada) reveal a close value of average annual growth--1.74 percent (9).

The trend of a slowing of the increase in consumer spending given the use of increasingly highly productive technology is leading to an exacerbation of the problem of selling and a tightening of competition on sales markets. In the process of the structural rearrangement of the economy connected with the current stage of the S&T revolution new technology is becoming the main implement of competitive struggle. The broad-based application of flexible automation is making it possible to reduce production costs and enhance product quality. Simultaneously increasingly great significance is attached to the technical novelty of products. In turn, firms which have found themselves in the vanguard of S&T progress are squeezing out their rivals and obtaining

the lion's share of profits. The acceleration of S&T progress is seen as a means of survival both at the microlevel and on a national economy scale.

The new conditions of reproduction predetermined contradictory trends which characterize the situation on the labor market of capitalist countries and the policy of the corporations and the state in respect of the labor force. They amount to the intensive exploitation of the creative potential and talents of one part of the army of wage workers given the ouster of the other part thereof from production by way of the introduction of labor-saving technology.

## II

The enhancement of the role of nonmaterial accumulation has brought about the advancement of questions of stimulation of the human factor to the fore in the economic strategy of the "high-technology" capitalist firms. The level of qualifications of the labor force and the organization and motivation of labor are seen by firms' management as the main factor of increased competitiveness.

"The most important factor which will bring about differences (in economic development levels--N.I.) in the next decade will not be technology but people," a report of the British National Economic Development Agency emphasized (10). Increased motivation, flexible forms of the organization of labor and the level of qualifications of the personnel play a key part in stimulation of the human factor, the report observes.

As the experience of the industrially developed capitalist countries shows, motivation, organization and qualifications are closely connected and complement one another. The development and assimilation of complex new technology are impossible without the increased material and moral interest of the personnel in the results of its labor. This, in turn, demands development of initiative and a creative attitude toward labor, which presupposes an expansion of production functions, decentralization of the management system, flexible forms of the organization of labor and the delegation of decision-making authority. At the same time, however, new forms of the organization and motivation of labor are efficient only given the increased complexity of the content of labor itself, at the basis of which is an overall rise in the standard of professional skill of manpower at all levels--from the worker through the manager.

A lack of qualifications, the majority of Western experts believes, is a principal factor impeding the introduction of modern technology. T. Blunt, leader of the state-of-the-art technology department of the General Electric Corporation, emphasizes the increasing discrepancy between the level of today's technology and the skills of the bulk of the engineers. He estimates that the knowledge of the majority of engineers lags 5-10 years behind the modern technology, of managers, 25 years (11). Whereas earlier managers and computer technology specialists spoke different languages and thought in different categories, a new type of administrator is needed at the present time, who must not only know the principles of production but also be a specialist in systems analysis and be aware of the possibilities of modern information technology with reference to specific conditions. "Our biggest need is for good executives of the upper tier of management who can make

creative use of technology for the purpose and in the interests of business," (G. Gelbrekht), an American expert in the field of management, writes (12).

The content and very nature of qualifications are changing considerably under the conditions of the new stage of the S&T revolution. Primarily the application of new technology demands a considerable broadening of the qualifications profile. This is becoming particularly insistent for the engineer, who has to be competent in traditional and new fields of technology and to understand electrical engineering systems, electronics and information technology. The report "Influence of New Technology on Qualifications in Manufacturing Industry and Services" of the British Manpower Commission emphasized that modern flexible automation systems require engineers with multiprofile qualifications based on knowledge of systems theory who could be used as highly qualified experts responsible for the diagnostics and maintenance of intricate equipment.

There is a sharp rise in the demands made of the creative qualities of the engineer--the development and design of new types of product and technology in the channel of the latest directions of S&T progress. Modern information technology is creating a fundamentally new engineering base of planning-design studies--electronic design--which is expanding the possibilities of choice of optimum project alternative and accelerating appreciably the development process itself.

Another important singularity of the modern qualifications connected with the new technology is what some experts in the field of personnel training call its "intellectualization". Complex automated production cannot function without an overall high level of the technical standard of the personnel, precision of compliance with the rules of technology and the workman's understanding of his place in the production engineering chain, rapid reaction and special responsibility for the quality of work and solicitous attitude toward costly equipment. All these attributes presuppose not only professional training but also a rise in the general education of the labor force. It is with good reason that 94 percent of youth up to the age of 17 is being taught in the senior grades of the 12-year high school in Japan. For comparison, 87.1 percent in the United States, 81.6 percent in Switzerland (13).

A third characteristic feature of modern qualifications conditioned by intensive innovation processes is their dynamism. The content of the necessary professional knowledge and skills is being updated constantly, which presupposes continuous training of the personnel. This process takes place not only within the framework of the system of the formal training and retraining of the personnel but also directly in the course of the accomplishment of production assignments: the development of modern machinery models and the assimilation of new types of product, equipment and technology. The accelerated accumulation and reciprocal transfer of technical experience accumulated by the production outfit are observed here--a phenomenon which may be defined as a self-tuition effect. Education is becoming an inalienable part of the current production process.

As a result there has been a need for an essential restructuring of the system of personnel training and a change in the very concept of education. It is a

question of a system of continuous education providing for training and the enhancement of the level of qualifications throughout the period of labor activity.

Particularly important changes are occurring in the field of the training of S&T personnel. The new concept of engineering education is distinguished by the development of the engineer's research attributes; an interdisciplinary approach providing for a broadening of the qualifications profile; the continuous nature of the training of the engineer throughout his professional career. Such leading research centers as MTI and Stanford University (California) and also a professional association--the Society of Industrial Engineers--and such major corporations as IBM, General Electric and Rockwell have been the initiators in the United States of the development of the new programs. The programs are of an interdisciplinary nature and are geared to the training of extensively educated leaders in the business sphere. The main technical subjects are computer chip production, flexible manufacturing systems and robotics and the development of programs for industrial robots. The general length of the training is 1-2 years, and a master's degree is conferred on the graduates.

The modern concept of engineering education proceeds from the fact that the problem of training personnel in the sphere of the latest technology cannot be solved by way of a simple increase in the graduation of specialists. After all, it is not the quantitative but qualitative aspect which is moving to the fore. At a time, however, when tuition has become an inalienable condition of the development of modern production, there is an appreciable change in the forms and methods of personnel training. The basis thereof is the very close cooperation of educational institutions and industrial firms and research laboratories.

An important form of the cooperation of American colleges and industrial firms is the organization in the leading technical higher educational institutions of so-called "productivity centers" designed to accelerate the development of technology and simultaneously train the corresponding specialists. The "productivity centers" are formed with the financial support of the firms concerned and provided with the latest models of robotics and flexible automation and information science hardware.

The courses of the technical higher educational institutions are providing increasingly often for lengthy periods of practical work at industrial enterprises. The students tackle technical assignments relevant to production, which are introduced in industry (the "projects" method). Special practical work stimulates the creative potential of the future specialists. It has become widespread in technical higher educational institutions of the United States and West Europe.

Cooperation between leading technical education centers and industry is making it possible to realize the idea of the permanent training of the engineer and an enhancement of his qualifications. "The future viability and competitiveness of American industry based on high technology will depend on the adoption of the concept of training throughout one's professional life as an integral part of an engineer's industrial work," an MTI report devoted to

problems of engineer education in the United States observed (14). The leader in the organization of this type of training of engineers specializing in microelectronics is Stanford University, which has established a system of correspondence courses.

Programs of an enhancement of engineers' qualifications are not confined to the framework of the teaching process. They are simultaneously research programs, which adds a new qualitative feature. The training and enhancement of the qualifications of specialists blend with the process of the development and introduction of new technology, which makes it possible to train high-grade research specialists and accelerates the innovation process.

A further important form of cooperation between the universities and industry is the secondment of firms' promising technical specialists with doctor's degrees, as a rule, to leading research labs for the development of specific research problems per an assignment of their firms. The university caters for scientific leadership and makes available the necessary equipment. In the event of important practical results being obtained, the university and the firm organize a joint venture company for the development and commercial use of the invention. Such cooperation has become widespread in biotechnology and biomedicine--fields in which the shortage of research specialists is particularly acute.

In Japan the engineering universities of Nagaoka, Tsukuba and Toyohashi are conducting in conjunction with industrial corporations an experiment pertaining to the accelerated training of top-class research engineers capable of developing and introducing the latest technology. There is a competitive selection of students among graduates of technology institutes (secondary educational institutions). Following completion of the second year, there is selection by examination for training in the senior years. The usual degree work is replaced by 6 months of practical work in the biggest "high-technology" corporations (Hitachi, Nippon Electric, Toshiba, Matsushita Electric). The university professors combine work with research activity in these same corporations.

The new forms of cooperation of the universities and industrial firms demand their territorial proximity. So-called "technology parks" have become widespread. Over 3,000 firms employing approximately 190,000 persons operate in Silicon Valley (California, United States) around Stanford University. "Technology parks" are being organized in Japan--Kyushu Island is being made "silicon"--and in West European countries--Bavaria (FRG).

The problem of personnel under the conditions of the new stage of the S&T revolution is not confined merely to the training of specialists. The question of highly skilled workers is acute. The experience of the developed capitalist countries testifies that the assimilation of new technology is impossible without the training of workers with a new type of skills, a broad profile and a high level of engineering culture approximating them to engineering specialists. These requirements are brought about by the objective need for the combination of professional knowledge and skills in the sphere of mechanical and information systems (so-called "mechatronics") under the conditions of the application of flexible automation.

The training of such workers presupposes the availability of a different material base and progressive training methods. It is primarily a question of the provision of the training centers with the latest microprocessor technology. In the United States this task is being tackled by way of a college's cooperation with industrial firms. The colleges develop worker and technician training programs; they set up for this flexible automation centers, whose equipment is supplied by the firms with an interest in the personnel.

A particular feature of vocational training in terms of the new specialties is combination of the theoretical course with the practical work of assembling and adjusting flexible automation systems. This not only intensifies the tuition process itself and reinforces the knowhow but accelerates the introduction of the new technology. Industrial firms planning a transition to flexible automation usually organize worker training in two streams. The first (the so-called "pilot group") is made up of the most skilled and capable candidates. At the time they take the intensive theoretical course they are enlisted in the assembly and assimilation of robots and FMS. The role of instructors is performed, as a rule, by representatives of the firm supplying the equipment. During the training of the second stream the maintenance of the equipment is entrusted to the graduates of the first.

For strengthening the cooperation between industrial firms and educational institutions in the sphere of the training of specialists in the latest branches of knowledge great significance is attached to intrafirm planning. Industrial corporations of the leading capitalist countries develop and implement medium- and short-term programs coordinating S&T, investment and personnel aspects of development. This affords an opportunity for determining the need for specialists of the necessary profile in advance.

Corporations are expanding the system of intra- and interfirm centers for the training and retraining of their specialists and workers. Major associations of the General Motors and General Electric type have their own technology institutes. In Japan the well-known Toyota automobile corporation has created its own technology institute in Nagoya. According to expert estimates, American and Japanese firms allocate 3 percent of working capital for personnel training.

An active role in strengthening cooperation between educational institutions and industry for catering for the capitalist economy's need for specialists for the new sectors of technology is performed by the state, which develops long-term programs of a dedicated nature. Back at the start of the 1970's preparations began in Japan for the new stage of the development of technology, which subsequently came to be called the "microelectronic revolution". In 1972 the Ministry of Education set up a consultative council to study the problems of training the requisite specialists. A program of a considerable increase in the graduation thereof providing for the close cooperation of the leading universities and major corporations engaged in the development and introduction of microprocessor technology was adopted. This contributed to a considerable extent to Japan's move into the leading place in

transpired that, despite his noble intentions and progressive undertakings, Egypt lacked a sufficiently strong, viable political party relying on the masses and purposefully leading society toward socialism. The ownership elements of city and countryside which had been strengthening from year to year even in Nasir's lifetime found themselves in concert with the "new bourgeoisie" an adequate leader in the person of A. Sadat, who easily and quickly did away with what had constituted the cause of G.A. Nasir's whole life--both within the country and on the foreign policy scene. Sekou Toure died, and it was ascertained that the system which he had created with its scandalous abuses and corruption had become so fragile and unpopular that sweeping it away was no trouble at all. Kwame Nkrumah had not been gone long from the country, and a putsch involving several dozen army and police officers was sufficient for the entire state and party structure to disintegrate in a matter of hours like a house of cards.

Of course, there are contrasting examples also. A. Neto, S. Machel and M. Ngouabi are no longer with us, but their cause has not perished. This is not fortuitous. In Angola, Mozambique and Congo (we would add here at least two countries--Ethiopia and the PDRY) the very nature of the political superstructure is qualitatively different from the system of power in the above countries. It is a question of the quality permitting the separation within the general group of countries of a socialist orientation a "popular-democratic" subgroup (sometimes the development path of the states incorporated therein is designated by the term "socialist development," as distinct from "orientation").

In the countries of this subgroup the leading role is performed by vanguard parties cleaving in an ideological-theoretical respect to the standpoints of scientific socialism, sharing the basic propositions of Marxist-Leninist teaching and endeavoring to lead the revolution "from below" and mobilize and stimulate the masses, fostering in them a collectivist, anticapitalist spirit.

The old machinery of state has been done away with here, and a new one, revolutionary in spirit, is being created. Local exploiter classes and capitalist development trends are being suppressed. Although the private sector is not being eliminated and is developing even, channels of enrichment and embourgeoisement (the civil service primarily) are being closed off time and again.

Finally, the popular-democratic regimes are pursuing a policy of active cooperation with the socialist countries in the economic, political, diplomatic, military and ideological fields and a policy of internationalist mutual assistance in the face of imperialist aggression. The latter feature, which is connected with foreign policy, is inherent also in certain "first-generation" states of a socialist orientation--national-democratic states (like Syria, Algeria and others).

The principal factors of the formation of popular-democratic regimes were: the presence at the very first stages of the revolution of a leading nucleus predisposed to accept the ideology of scientific socialism (as distinct from the fundamentally nationalist ideological equipment of the "national democrats"); the capacity of this nucleus at the decisive moment for reliance

on the masses, making use of the authority gained in the long struggle against the colonizers or (in Ethiopia) feudal-monarchical forces; finally, the low level of incidence of private-ownership relations and bourgeois or petty bourgeois ideology. The latter circumstance, that is, a factor of class dependence, connected with the low level of development and, correspondingly, with the extraordinary weakness of bourgeois and even petty bourgeois forces, played a considerable part.

All countries of the said "subgroup" are extremely backward and poor, although this fact is not in itself a prerequisite for a radical-type revolution, and it would be wrong to suppose that the poorer a country, the more conducive the conditions are to noncapitalist development. Zaire, the Central African Republic or the Yemen Arab Republic, for example, are no more developed than their southern neighbors, although the political transformations in these countries are not distinguished by particular radicalism. It is evidently not poverty per se and not the level of development of capitalist relations alone but the totality of all the factors dealt with above which create (sic) the conditions for the most radical type of revolution.

It is to the countries of the said category that, we believe, a fundamentally important proposition of the CPSU Program applies: "Broad prospects of social progress are afforded by the noncapitalist development path, the PATH OF A SOCIALIST ORIENTATION, which has been chosen by a number of emergent countries." It is perfectly legitimate to foresee the appearance of new states, whose leaders will adopt a policy of building socialism. This is natural inasmuch as in backward countries an attempt to tackle the severest development problems by capitalist methods is attended by tremendous difficulties, and this process cannot fail to be extraordinarily painful. The disenchantment of the masses and the situation of impasse create the prerequisites for the search for alternative paths.

At the same time it would be highly dangerous, repeating previous mistakes, to view the countries of this category through rose-colored spectacles and to ignore the negative trends which have come to light there also. All these countries are encountering extraordinarily serious difficulties. Of course, in Angola and Mozambique an appreciable, if not predominant, share of the blame for the instability and disruption lies with outside forces, primarily the racist South African regime. But it would be wrong to explain all the failures by this alone. The tragic events in South Yemen in January 1986 were connected, for example, mainly with internal factors.

Obviously, we underestimated the influence of the existing level of social consciousness and the prevalence of traditional notions, tribalism, caste attitudes, clan allegiance and patronage-clientele relations. The leaders of countries of a socialist orientation themselves, including the "popular-democratic subgroup," recognize the existence of such phenomena as lax management, bureaucratism, low labor productivity, the low profitability of state-owned enterprises, the swelling of the civil service, inadequately organized provisions for the population and the extremely low "quality of life". All this indicates that the path of countries which have opted for a "socialist choice" promises to be very, very difficult. But, on the other hand, they are not alone: they have someone to rely on and someone's example



to follow. The general world-historical situation is taking shape to their advantage.

#### IV

So, where is the "third world" headed? The answer to this question cannot, naturally, be categorical. Referring merely to the immediate, foreseeable future, it may be said that, as a whole, the "choice of path" period has already been left behind.

The formation or establishment of capitalist relationships is under way in the majority of developing countries. Here, first, "eastern capitalism" is to a large extent strikingly different from "western (and Japanese) capitalism" in view of the specific features brought about by backwardness and also the continued profound dependence on the capitalist centers. And, second, there is a multitude of varieties of the consolidating bourgeois system. No one will deny that Indian capitalism is entirely different from Singaporean capitalism on the one hand, Saudi on the other and Zairean or Kenyan on yet another and so forth.

At the same time a "level of irreversibility" of the development process has been reached virtually nowhere, evidently. It is the specifics of the developing world with its unsettled social structures, incomplete class-formation process, heterogeneousness and patchiness of society, tremendous burden of the traditional, difficulties of adaptation to S&T progress and demographic, ethnic and other problems which presuppose the most unexpected twists. Only the absence of stability and smoothness and harmoniousness of development may be considered guaranteed.

A few words should be said in this connection about the conflicts which are continuously arising sometimes in one, sometimes in another part of the "third world". It is sufficient to open any issue of a newspaper to see reports on clashes, coups or conspiracies, the activity of terrorists and growing tension here and there. It is not, of course, a question of national character traits, of some particular quarrelsomeness or aggressiveness.

The majority of conflicts goes back in one way or another to the emergent states' colonial past. Thus in some instances the colonizers once united different peoples within the framework of a common territory, and when a multinational state appeared, some nations--albeit still only just in the process of formation--began to display discontent and to demand independence. In other instances the colonial authorities gambled on one of several ethnic or religious communities and gave it preference when staffing the civil service, army and so forth, but after independence, the other communities had no desire to reconcile themselves to its privileged position and challenged it.

Local-nationalist sentiments, from which it is just one step to separatism, are intensifying as the national self-awareness of small peoples grows and professionals proper are formed. In a number of cases a bourgeoisie displaying a tendency to exploit the population of backward areas, which is causing anger

among the latter, has grown up in economically more developed provinces of the state.

It happens also that the government of some country, unable to solve aggravated domestic problems, channels the population's unhappiness toward struggle against an "outside enemy" and fans territorial or other disagreements to the level of a national campaign. Sometimes neither side gives way at the time of the emergence of interstate disputes because the ruling circles, perceiving the fragility of their domestic positions, fear to "lose face," prove insufficiently "strong" in their nationalism and thereby leave themselves open to attacks of the opposition, which is just waiting for a pretext to accuse the government of weakness, if not a betrayal of national interests.

Mention also has to be made of tribalism and the factional struggle of cliques, each of which aspires to obtain the lion's share of the general "pie," and the absence of democratic traditions at the political leadership level, as a result of which authoritarianism and despotism thrive, while the opposition, lacking opportunities to conduct a legal struggle, inspires rebellions and putsches, tries to win the support of the military and so forth.

Finally, and it is this sometimes which is the decisive factor, the subversive actions inspired by imperialist circles, the activity of foreign special services and such cannot be forgotten.

Thus there are more than enough occasions for domestic conflicts and interstate clashes in countries where the process of formation of a civilian society and the development of political culture has only just begun. The danger here is that the ruling circles of developing countries frequently turn for support--military and political--to the imperialist powers, which use them in the interests of their imperial game for the creation of military springboards and centers of political influence. Much here will depend for this reason on factors outside of Asia, Africa and Latin America and on the political climate throughout the world. On whether a trend toward a relaxation of tension and the solution of contentious issues peacefully becomes firmly established on the international scene or whether a policy of confrontation ultimately confronting mankind with catastrophe being propounded and inspired by the most aggressive imperialist circles continues.

#### FOOTNOTES

1. True, in recent decades also attempts were made from time to time in "circular fashion" to prohibit, for example, the use of this term or the other. This applies, specifically, to the very term "third world" also. Fearing either identification with the well-known Maoist "three worlds" formula (the meaning of which was entirely different) or the conclusion that "third world" implies a "third way" or particular social-economic formation, this concept was expunged from the press, although it is employed, for all that, worldwide, in the socialist countries included.

This misunderstanding is over, seemingly. After all, not pretending to the affirmation of some "third formation," the words "third world" signify only a particular group of states in the world arena--economically less developed countries which are discriminated against, which occupy an unequal position in the world capitalist economy and which are aware of their historical specifics and their community and the need for solidarity for the sake of deliverance from the present difficult position. Incidentally, it is the said factors primarily which are the basis of the nonaligned movement, the activity of the Group of 77 and the emergent countries' struggle for a new international economic order. This in itself confirms the existence of a specific category of states pertaining neither to the camp of imperialism nor the socialist system and which are, consequently, in some sense "third" in today's world.

2. K.N. Brutents, "The Emergent Countries in the 1970's," Moscow, 1979, p 28.
3. PROBLEMY MIRA I SOTSIALIZMA No 8, 1966, p 43.
4. "Classes and the Class Struggle in Developing Countries," Moscow, 1968, vol III, p 415.
5. "Evolution of Oriental Societies: Synthesis of the Traditional and Modern," Moscow, 1984, pp 275, 277.
6. The following may be read in a sound American work: "The international banks which preferred to extend credit to government institutions in view of the latter's easier access to hard currency acted wisely. However paradoxical, international private banks have sometimes looked favorably on the fact that governments have nationalized their clients' property..." ("U.S. Foreign Policy and the Third World: Agenda 1985-86," Washington, 1985, p 67).
7. V.I. Lenin, "Complete Works," vol 41, p 246.
8. "The Communist International in Documents (1919-1932)," Moscow, 1933, p 30.
9. V.I. Lenin, "Complete Works," vol 43, pp 229, 222.
10. K.N. Brutents, Op. cit., p 73.
11. "The State of a Socialist Orientation," Moscow, 1975, p 11.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1987

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PASTORAL LETTER DOCUMENTS MYTHS OF U.S. SOCIAL JUSTICE

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 90-93

[Article by K. Gonchar: "Valuable Confessions in the Pastoral Letter"]

[Text] The predominance of rightwing trends in the foreign and domestic policy of the United States could not fail to have been reflected in the nature and tone of publications of recent years on socioeconomic problems. The justification and substantiation of the "neoconservative offensive" against the working people's vital interests and rights and the smug eulogy of the successful American have become the theme of works which have inundated the country's book market. All the more valuable is the pastoral letter of American Catholic bishops devoted to the country's socioeconomic situation issued at the end of 1986 (1).

The letter--the result of almost 5 years of work--was approved at a national conference of Catholic bishops by 225 votes to 9. It testifies convincingly to the multifaceted and serious nature of the country's domestic problems and exposes the baselessness of the myths concerning social justice in American society.

I

"The promise of the 'American Dream' remains unfulfilled for millions of people in the United States," the letter acknowledges. The bishops do not confine themselves just to some moral-ethical appeals for personal and public charity, which, despite its humane nature, is not in a position to tackle the problems of poverty, hunger and unemployment. Rejecting the postulates of official bourgeois sociology and even finding themselves in a kind of opposition in respect of the conservative domestic policy line of the administration, the Catholic clergy presents cogent criticism of its activity and actually proposes its own program of a solution of the most serious social problems.

The development of the church's social doctrine in precisely such a direction is not a tribute to the fashionable discussion of poverty frequently encountered in scientific and social circles. American Catholicism, which was born as a church of immigrants with a predominantly worker composition of the

congregation, has traditionally been distinguished by socioeconomic liberalism, particularly on questions of domestic policy. The last pastoral letter was testimony to the growth of the Catholic Church's social assertiveness and a reflection of its persistent endeavor to effectively invade social and political life.

Against the background of serious economic disorders, chronic mass unemployment, price rises and the growth of poverty it would be absurd to appear before a more than 52 million-strong congregation (almost one-third thereof being Spanish-speaking Catholics and "new" immigrants of Asian and Latin American origin, that is, the minority of the population most discriminated against) with cheerful calls for economies and entrepreneurial initiative in the spirit of the economic reports of the President. The pastoral letter contains an analysis of the reasons for the calamitous position of millions of Americans and links the degree of seriousness and scale of the social disasters with the strict conservative policy of the government and the increased diversion of resources into the arms race, which is threatening not only people's security but also their socioeconomic well-being.

The letter pays the main attention to the problem of poverty, the level and depressing dynamics of which are causing the church profound unease. "Scandalous poverty rages here in the country despite its tremendous wealth. More than 33 million Americans are poor; by any reasonable criteria a further 20-30 million persons are in need," the letter attests. The following figures are particularly striking: one out of every four American children aged 6 and under and one out of every two black children live in real need, and in the last 10 years (1973-1983), what is more, the overall number of young poor persons has grown by 4 million, setting a "record" for a 20-year-plus period. In these same years the numbers of the population living below the official poverty line have increased by more than one-third. And this in very rich America, a country of widely heralded prosperity and with everything and more for feeding, employing and providing tolerable living conditions for all its citizens.

The authors of the letter do not, however, confine themselves to an emotional enumeration of facts. The explanation of the causes of the poverty, particularly in connection with the idea of the responsibility of the poor themselves for their situation, which is foisted on the public persistently, calls attention to itself. This latter proposition is designed to divert attention away from what is most important--the incapacity of capitalist society for providing work and sufficient wherewithal for almost one-fifth of its "equal" members. Thus speaking at hearings in the Joint Economic Committee of Congress devoted to the results of the "war on poverty" declared back in the mid-1960's, L. Galloway, an economist from Ohio State University, asserted in all seriousness that "people voluntarily opt for a poverty level income because they find a combination of this income and the idleness which accompanies poverty preferable to the lifestyle associated with prosperity" (2). In addition, the poor, according to L. Galloway, are guilty of exploiting their own children, whom they have allegedly with the sole purpose of acquiring the food stamps due needy families. Responsibility for the growth of the poverty level is also attributed to the state, which renders... needy

people "inordinate assistance," thereby reducing interest in a search for a job and work itself, and, what is more, "each additional billion dollars of social assistance increases the number of people living below the poverty line by 250,000 persons" (3).

When official social policy is constructed on such reasoning, particular significance is attached to the results of the investigation of the sources of the problem of poverty set forth in the letter. The existence and growth of poverty are brought about primarily by unjust socioeconomic conditions and the unequal distribution of income and wealth, which the U.S. Catholic Church recognizes as a serious form of "social sin". The following figures are adduced as proof of higher inequality compared with other industrially developed countries: just 2 percent of U.S. families with an income of over \$125,000 a year own 28 percent of net personal wealth and 54 percent of all net financial assets. In 1984, when the poorest 20 percent of American families received only 4.7 percent of total income in the country, and 40 percent of the U.S. population with the least income accounted for only 15.7 percent, that is, the lowest proportion in U.S. history, the wealthiest one-fifth of families received 42.9 percent of total income, which constitutes the highest proportion since 1948. All this indicates a continuing intensification of socioeconomic inequality contributing to the growth of poverty.

The authors of the letter rightly observe that together with the traditional poor--representatives of the racial minorities suffering discrimination, single women with small children and elderly persons--representatives of previously perfectly well-off middle class social groups are increasingly finding themselves, as a consequence of loss of job, low earnings or illness, on the verge of the poverty level. These are not "idle loafers," as the supporters of the idea of "voluntary poverty" assert, and not particular groups of outcasts from the urban masses but working people deprived by society of an opportunity to realize their economic rights. In the period 1968-1978 one-fourth of the population in this period of time or the other pertained to the category of poor people and lived for at least 12 months on welfare. Farmers who are, in the opinion of the Catholic clergy, the victims of the streamlining of agriculture are becoming an increasingly populous group among the "new poor". Not the least part in their fate has been played by the government's budget policy aimed at "a decisive review of farmer assistance programs to cut the expenditure and reduce the role of the government in agriculture" (4).

## II

The authors of the letter see it as their task not only to attract attention to people's calamitous position and awaken in the powers that be a sense of "social responsibility". The church has begun to speak with full voice about the interconnection of the exacerbation of American society's socioeconomic problems and the policy of increased military spending.

Since the time when, in the mid-1960's, the Second Vatican Council acknowledged the struggle for peace as a duty of the church American Catholics have begun to gradually switch to positions of active antimilitarism, making struggle for an end to the arms race a principal component of their political

activity. This position was expressed most fully in the pastoral letter "Call for Peace. God's Behest and Our Response" (1983), which was aimed against Washington's military policy and which established the concept of the total unacceptability of nuclear war, which can be neither won nor limited. The unprecedented educational peacemaking activity of the Catholic clergy which developed in the wake of the publication of this letter was accompanied by its active participation in the public's antiwar demonstrations. The actions of Archbishop of Seattle, R.G. Hunthausen, who refused to pay one-half of his federal income tax--the part which goes to finance military preparations--received particularly extensive publicity (and the Vatican's condemnation).

In the 1986 pastoral letter criticism of the arms race is based not only on moral-ethical demands and recognition of the disastrous results of both nuclear and "conventional" war. Recognition of the negative character of the socioeconomic consequences of the arms race and the high level of military spending merit special attention.

The times are long passed when discussion of the "guns or butter" dilemma was in the United States predominantly of a theoretical nature inasmuch as it seemed that the wealth which had been accumulated and which was being created would be sufficient for everything, including a simultaneous growth of military and social spending without detriment to the economy and finances. It has turned out in practice that the increase in military budgets is gradually leading to a reduction in the rate of economic growth and serious upheavals of the financial system in connection with the federal budget deficits. Ultimately exercise of the socioeconomic functions of the bourgeois state is being sacrificed to the interests of a continuation of the arms race. The pastoral letter speaks of "the serious deformation of the economy caused by the arms race and its catastrophic consequences for society's capacity to care for the poor and needy." Rivalry and mutual apprehension are leading to man's gifts and money which could be used to improve life going on the fulfillment of programs threatening his destruction. The expenditure of man's creative powers and far from unlimited resources on production of the implements of war is not only making solution of the most important socioeconomic problems more difficult but becoming a factor of their ever increasing exacerbation.

Federal programs of assistance to the poor were the first to feel the blow of the significant reduction in the financial base of government socioeconomic measures in the 1980's. In the estimation of R. Greenstein, director of the Center for Budget and Political Priorities, the wave of the cutback in social spending in 1982 increased the number of poor by 560,000, 450,000 families were deprived of payments in accordance with the Aid to Mothers With Dependent Children program and 600,000 children stopped receiving medical compensation (5). The growth in the number of indigents is also indicated by the results of the works of R. Gottschpalk, specialist of the University of Wisconsin's Institute for the Study of Poverty: in the period 1976-1982 the amount of monetary benefits per family (in constant prices) declined from \$1,513 to \$1,474, the level of unemployment grew from 7.7 to 9.7 percent and, as a consequence, the official "poverty level" indicator leaped from 11.8 to 15 percent. If, however, when calculating income account is not taken of transfer payments, the scale of "pretransfer" poverty in these same years grew from 21 to 24 percent (6).

Undoubtedly, the need for continuation of social payments to the poor not only is not diminishing but growing, and the financing of military projects thanks to a reduction in government assistance is only accelerating the spread of poverty in the country. The U.S. Catholic Church is opposed even to a minimal winding down of social programs and supports deep reforms geared to a rise in the living standard of the broad masses of the population.

The letter's analysis of the connection between the arms race and unemployment also merits attention. In the opinion of the bishops, full employment is the foundation of a just economic system. Some 8 million unemployed, three-fourths of whom receive no compensation, are a consequence not only of structural changes in the economy and the nature of the demand for occupations and the loss of foreign and even domestic markets but also of the high level of military spending.

Taking as a basis the results of the latest studies in this sphere, the authors of the pastoral letter say rightly that, as a rule, military spending creates fewer jobs than other types of government appropriations and is essentially the least efficient way, from the viewpoint of ensuring employment, of spending resources in short supply. A very considerable role is performed by the fact that "almost one-half of U.S. research and engineering personnel works on military-oriented programs, and 60 percent of total federal spending on scientific research goes for military needs." In addition, the bulk of the unemployed cannot expect to obtain work at military enterprises owing to the lack of correspondence of their training to the high professional-qualifications demands made there on the labor resources.

Even more important is the negative influence exerted by militarization on the dynamics of economic growth and capital investments and the direction and efficiency of S&T progress. The undermining of the long-term economic prospects of the creation of jobs as a result of the increase in military spending is a reason why, even in a phase of economic upturn, the level of unemployment is higher than the indicators of the crisis periods of preceding decades. The letter rightly asks: can the country modernize the economy and achieve full employment under conditions where such a large proportion of financial and human resources is set aside for military preparations?

What do the bishops suggest in the way of a solution, if only partial, of the country's social problems? Their recommendations merit attention, despite the manifestly utopian nature of the hopes placed in "commonsense" and a "sense of fairness" of business and government authority. It is a question of the demand for the establishment of an order which would guarantee everyone "conditions for the preservation of human dignity in the economic sphere," the right to work and pay, medical assistance and certain provision in old age. Rejecting the philosophy of "Reaganomics," the authors of the letter propose the introduction of elements of state economic planning, an increase in the minimum wage and an appreciable expansion of federal social assistance programs and proclaim discrimination against women and representatives of the national minorities in pay "amoral".



The task of a reorientation of budget priorities "in favor of satisfaction of urgent social needs" and "the transfer of part of military production to peaceful and socially productive ends" is posed.

It is indicative that the U.S. Catholic Church also displays concern for the establishment of a just international economic order, a solution of problems of poverty and hunger in developing countries, a winding down of the deadly arms trade, an increase in resources granted for development needs and their fairer distribution. The bishops call on the IMF to "immediately release" the developing countries from the payment of their debts, and the American TNC, to pursue an honest economic policy in the countries in which they function.

Despite the utopian nature of some propositions, it is difficult not to agree with these conclusions of the pastoral letter testifying to an active search for alternative, nontraditional ways of tackling both general problems and tasks of the United States' socioeconomic development. It is not surprising that this position elicited sharp criticism on the part of the administration: thus, the President's public relations assistant accused the authors of the letter of economic incompetence and suggested that they confine themselves in the future to questions of faith and morality (7). Not all the Catholic rank and file was prepared to accept many of the positive ideas put forward by the Catholic bishops. Thus a group of Catholics in the grip of the rightwing conservative wave is criticizing the letter for "inordinate" liberalism and an underestimation of the significance of "economic freedom" in the measures for economic recovery proposed by the government and even accuses the bishops of calling for the general equality of income and wealth.

The evolution of the social teaching of the American Catholic Church is complex: from past loyalty in respect of the government and support for Washington's military and antisocial actions to protests in support of liberal reforms, and from social conformism to an active critical position. D. O'Brien, expert in the history of the religion of the United States, considers the position of the leaders of the American Catholic Church on questions of war and peace and also their approach to the country's socioeconomic problems "a new, revolutionary method of the church's existence" (8). It would seem that shoots of the new thinking on the most acute present-day problems are beginning to show through in American soil also. Considering the appreciable moral authority of the Catholic Church in the United States (over 90 percent of Americans are or, at least, consider themselves believers), this evolution could play an appreciable part in the narrowing of the base of mass support for the administration's militarist policy.

#### FOOTNOTES

1. See "Economic Justice for All. Pastoral Letter on Catholic Social Teaching and the U.S. Economy," Washington, 1986.
2. "War on Poverty: Victory or Defeat?" Hearing before the Subcommittee on Monetary and Fiscal Policy of the Joint Economic Committee, Congress of the US, June 1985, 99th Congress, Washington, 1986, p 49.
3. Ibid., p 5.

4. "Congressional Quarterly Service. Weekly Report," 7 September 1985, p 1749.
5. U.S. NEWS AND WORLD REPORT, 24 December 1984, p 42.
6. "War on Poverty....," p 72.
7. See THE NEW YORK TIMES, 14 November 1986.
8. U.S. NEWS AND WORLD REPORT, 17 November 1986, p 66.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1987

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## ROUNDTABLE ON STATUS OF WEST EUROPEAN INTEGRATION

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 94-103

[Text] A fundamentally new situation has arisen and the external and internal conditions of the functioning of the European Community have changed in the 30 years since the time of the signing of the Treaty of Rome. All this has given rise to the need for an interpretation of the problems which have arisen. IMEMO assistants and also specialists from other Moscow institutes took part in a roundtable meeting organized by the USSR Academy of Sciences IMEMO West European Studies Center.

Prof V. Shenayev, doctor of economic sciences and head of the West European Studies Center, observed in his opening remarks that the roundtable's task was to make a comprehensive evaluation of different aspects of the integration process. In three decades West Europe has switched under the influence of the S&T revolution from an extensive to an intensive development path. The changes which have occurred in this period in the mechanism of control of the integration process and its institutional basis are in need of economic and political evaluation.

Is it possible to speak of a shift of accent in decision-making from the national to the interstate level? If so, what does this signify and in what is it manifested? To what extent is interstate policy coordinated with the participants' national priorities? We also have to discuss the influence of integration on the correlation of centripetal and centrifugal forces both in the grouping itself and in its relations with the other centers of interimperialist rivalry. There has been increasingly frequent talk in the West recently about a "two-speed Europe". To what extent is this valid for the economy and policy of the EC countries? Does the Community's S&T lag behind the United States continue? It is known that various opinions are expressed on this question, and it is therefore important to determine the criteria at the basis of these opinions.

The policy of the EC and its members in respect of the developing states and also the socialist community countries, primarily the USSR, merits special attention. No less important is the Community's position in respect of all-European cooperation and international security, an integral part of which is European security. At the start of the 1970's the EC states played an

important part in the relaxation of international tension. May similar actions be expected from them in the present situation, which has become exacerbated through the fault of American aggressive circles?

The discussion was opened by Candidate of Economic Sciences V. Zuyev. The new international situation, he emphasized, lends impetus to a restructuring of the mechanism of cooperation in the EC. Under the conditions of the increased threat of a devastating nuclear conflict and an unprecedented arms race the Community has begun to pay more attention to questions of security, defense and military cooperation. The politicization of international relations is intensifying the degree of coordination of the participants' foreign policy.

There was a weakening of the positions of the West European power center in the first half of the 1980's, and it faced the threat of finding itself in a disadvantageous position as a result of the intensification of relations between the United States and Japan. For this reason, the speaker believed, the EC began to pay more attention to relations with the socialist countries. Favorable soil for the development of these relations is being created by the restructuring of the mechanism of foreign economic relations in the USSR and the formation of new political thinking. Impetus for the development of the all-European process has arisen. CEMA-EC negotiations have been resumed.

The deterioration in the general conditions of reproduction in the capitalist countries is increasing the need for international multilateral regulation of the economic sphere. The Community's response to these changes has been an endeavor to increase the efficiency of the joint decision-making mechanism by way of the encouragement of supranationality, which has been reflected in the wording of the Single European Act. The response to the increased instability of the currency-finance system has been expressed, specifically, in attempts to strengthen the European Monetary System (EMS) and ease the ECU's dependence on the dollar.

An important feature influencing integration is the rapid development of S&T progress. S&T cooperation is increasing and the number of joint projects is growing rapidly within the EC framework. A relative balance between national, regional and Atlantic principles is maintained here.

Thoughts on the centripetal and centrifugal trends in the "harmonization" of economic policy were expressed by Doctor of Economic Sciences V. Pankov. He emphasized the very considerable and ambiguous influence on the integration process of the structural rearrangement which began in the mid-1970's. On the one hand it is giving rise to impulses of a centripetal nature. The sharp increase in the general economic significance of the high-science sectors and the growth of spending on R&D attending this are leading to the appearance of fundamentally new problems, whose solution with intrinsic resources is beyond the capacity of even very big countries. The structural crises of the traditional sectors (ferrous metallurgy, shipbuilding and others), whose situation is similar or even roughly identical in countries of the Community, require joint efforts also.

The competition of the United States and Japan in the high-technology sectors, and of the "new industrializing countries," in a number of traditional

sectors, is also prompting the participants in the Community to consolidate their forces. Certain, at times significant, changes in the integration of economic and currency policy have been a consequence of this.

On the other hand, countertrends have come to light also. The structural changes have increased the differentiation in the position of the EC countries (in bourgeois literature this process has come to be called "economic divergence"), which has grown even more with the Community's enlargement by Greece, Spain and Portugal. All this is complicating considerably the development of interstate control of the economy.

An active disintegrating role is being performed by the United States, which aspires to preserve its advantage in the progressive sectors (microelectronics, biotechnology, production of new materials). A typical example is the enlistment of West European firms in the SDI, a reason for which is prevention or limitation of their participation in Eureka and other integration projects. As a result of the action of these countertrends industrial policy remains the weak link of interstate control of the economy within the Community framework. Centripetal trends are prevailing, as a whole, but the disintegrating factors are slowing the "harmonization" of economic policy and frequently creating impasses in this direction of integration or the other. In the opinion of Candidate of Economic Sciences V. Korovkin, centripetal trends predominate in the said processes. The participants have achieved compromises in respect of a number of main directions of joint economic activity. They include agreements in the sphere of farm policy; solution of the problem of Britain's contribution to the common budget; the adoption of two "framework" research programs; reform of the European Regional Development Fund and the shift of accent in regional policy toward a stimulation of the newest sectors. Such development was an important condition of the conclusion of the Single European Act.

However, in many spheres of economic integration (farm, S&T and regional policy, ferrous metallurgy, the movement toward a common domestic market and formation of the EC budget) a number of problems has accumulated. This is obviously leading to a new exacerbation of conflicts and will complicate fulfillment of the economic ideas of the Single European Act.

As Candidate of Economic Sciences I. Nerushenko observed in his speech, the trend toward increased integration in the 1980's is confirmed by the new phenomena in the coordination of the Community's economic policy. Practicable steps to unify and coordinate the EC countries' macroeconomic policy have been taken as of the fifth 5-year program, which was approved by the Council of Ministers in 1981. This program may be seen as the realization of monetarist approaches to the solution of economic problems (a lowering of the rate of growth of the money supply, a reduction in budget deficits, stimulation of private investments, emphasis on spontaneous-market forces). Its main goals are reducing the rate of inflation, price stability and an acceleration of structural rebuilding.

Realization of the 5-year program has produced certain positive results. The rate of inflation had diminished in all countries of the Community in 1986 compared with 1980. This was facilitated together with the fall in the price

of raw material and energy carriers by monetary policy. The majority of countries reduced the proportion of government spending in the gross domestic product. An appreciable role in the convergence of economic policy and the lowering of the inflation rate was performed by the creation in 1979 of the European Monetary System.

Why were practicable steps to coordinate economic policy and create a European Union taken only in the 1980's? From I. Nerushenko's viewpoint, this is explained by a number of factors, the most important of which are increased regional internationalization of economic life, the growing interdependence of the national economies, the sharp deterioration in the conditions of capitalist reproduction and the increased significance of global problems of economic development for all capitalist countries. The growing interpenetration of the economies has reduced the possibilities of the EC states' pursuit of an independent policy. The need for the increased coordination of economic policy has also been brought about by the fact that the certain loss of autonomy at the national level has not been compensated by the creation of a uniform Community policy.

Active discussion developed in connection with the question of the changes which S&T progress is making to the activity of the European Community. Candidate of Economic Sciences N. Shulyukin spoke of the increased role of joint S&T policy in the formation of a regional economic complex and the promotion of the creation of a "technology community" among the most important priorities of "West European building".

The speaker distinguished new components of EC strategy--buildup of the financial base (according to some estimates, spending on joint R&D could have grown fourfold by 1990); change in the structure of S&T policy (at the end of the 1970's even approximately 70 percent of the total research budget was channeled into energy R&D, predominantly of a fundamental nature, in recent years, however, preference has been given to research in the sphere of biotechnology, telecommunications, composition materials and such).

Long-range forecasting and medium-term programming are being developed within the Community framework. The special FAST program substantiates the long-term priorities of S&T policy, and 4-year "framework" programs, which are the basis for the subsequent adoption of joint S&T projects, have been approved as of the mid-1980's. The integration mechanism is being upgraded also--more flexible forms of contract financing are being worked up and the role of joint projects in the development of international cooperation and the strengthening of the interconnection between various elements of the single "R&D--production" chain is increasing.

A new element is the linkage of small and medium-sized enterprises, which participate in 53 percent of the projects of the ESPRIT program. The geographical framework of cooperation is being extended thanks to countries which are not a part of the Community. And, finally, among the new components is assistance to the development of regional cooperation outside of the EC institutional framework.

The evolution of the EC's S&T policy has revealed many opportunities for the use of integration to accelerate S&T progress. The further intensification of interimperialist rivalry in the sphere of R&D presupposes on the one hand the development of technological polycentrism and, on the other, the increased interdependence of the imperialist centers.

The subject of the technology gap in the polycentrist system was touched on by Candidate of Economic Sciences V. Presnyakov. Under the conditions of the increased "technologization" of international economic relations the technology gap in high-science industries between West Europe, the United States and Japan not only has not diminished, he believes, but has in a number of cases grown even. Using the data of West European specialists and also his own calculations, he compared the positions on the world market of high-science products of the three main power centers. It transpired that of the 37 leading high-science industries, the United States occupies the dominant position in 22, Japan, in 9, and the EC, in 5 cases (high-speed trains, telecommunications, industrial robots, nuclear power engineering and particle physics).

The United States is in vulnerable positions in one instance (high-speed trains), Japan, in four. The weakness of the Community's positions, however, is manifested in such cardinally important spheres as computer chip, semiconductor, very powerful (very high-speed) computer and biological material production. It is here that the technology gap in favor of the United States and Japan continues to increase. As the danger of the current situation is recognized, West Europe is making certain efforts to strengthen its positions. Thus far-reaching goals of the creation of a truly common market of commodities, manpower, capital and services and the increased dynamism of West European companies have been set. But this, as the speaker observed, is for the future.

A different viewpoint was expressed by Candidate of Economic Sciences N. Shelyubskaya. She believes that it is not legitimate to speak about an increase in the S&T gap inasmuch as precise criteria for determining it are lacking. What is often understood by this term is a lag in the level of development of a complex of high-science sectors. However, its composition is changing constantly, has area differences and is not for this reason amenable to precise statistical analysis. It is more correct to pose the question of growing specialization and interdependence.

Integration trends have been strengthening in West Europe since the start of the 1980's. The formulation of a single S&T policy and the creation of a common S&T market have become priority tasks. Objective requirements of the world economy are the basis of this process.

The EC's influence on the development of R&D is determined not so much by its contribution to the financing and expansion of supranational regulation as their coordination and integration. The resources of the EC, on the other hand, spent on science, albeit small compared with the corresponding appropriations of the participants, produce high returns thanks to their concentration in key sectors. The EC's spending has grown, and programs in the

most progressive sectors (information science, microelectronics, biotechnology and so forth) have been given priority, what is more, in the 1980's.

In the opinion of N. Shelyubskaya, the Community countries have entered a new phase of cooperation. Actual steps have been taken on the path of formation of a single market of S&T products and the shaping of a common policy in the field of science and technology. However, the objective process of S&T integration is being held back by the national protectionism of the participants.

Prof M. Bunkina devoted her speech to the problem of technology rivalry. She believes that a trend toward a weakening of the West European center may be discovered merely upon a comparison of the levels of a number of the latest technologies. However, in the mid-1980's West Europe has certain advantages in respect of a strengthening of foreign trade positions (on the U.S. market included) in the currency sphere. It is difficult to view technology in isolation from these indicators. The West Europeans' lag in the sphere of the fundamental sciences would seem dubious also. The technology gap between the United States and the Community is evidently not growing.

The United States' loss of economic hegemony in the capitalist world and at the same time its endeavor to reserve for itself the role of leader are being reflected in East-West relations. The United States is making tremendous efforts to prevent a further development of relations between East and West Europe. For this purpose the U.S. Administration is making use of CoCom activity and a policy of prohibitions and economic sanctions.

Mentions are appearing in certain publications abroad concerning the USSR's aspiration to "split the West". In this connection M.S. Gorbachev emphasized, addressing French members of parliament (1985), that the Soviet Union is not attempting to drive a wedge in relations between the United States and West Europe.

Expressing her opinion in connection with the development of integration, M. Bunkina observed that its institutional structuring is under way and that special attention is being paid to "European symbolism"--a banner, anthem and so forth. However, the equalization of economic and social structures is slowing down, and actual integration is of a fragmentary nature.

The currency sphere, as an important aspect of the Community's development, was the subject of the speech of Candidate of Economic Sciences A. Tsimaylo. In his opinion, integration measures in the currency sphere, mainly the EMS, may be put among the Community's successes. The EMS has coped with the main tasks entrusted to it--the creation and preservation of a zone of relative currency stability and promotion of the coordination of economic policy. The current economic situation, primarily the relative convergence of the members' economic development, contributed to this to a large extent. In addition, pressure on the currencies of the EMS (primarily the Deutschmark) has eased, mainly thanks to the sharp rise in the dollar's exchange rate up to 1985.

As a whole, the EMS has shown itself to be relatively viable, and its further development will depend on many factors--liberalization of the capital markets



of the Community countries and the creation of a common financial market; expansion of the sphere of application of the ECU both within and outside of the EC; standardization and rapprochement of the members' economic policy; and, finally, inclusion in the EMS of the Community countries which do not as yet subscribe to it.

The question of the creation of a common capital market, which is connected with currency integration, was examined by Ya. Zaslavskiy. The inclusion of this task on the program of the Community's activity reflected the trend toward intensification of the international migration of loan capital. However, the process of rapprochement of the national markets in the region is moving in contradictory manner and is determined by the conditions of the development of the international market as a whole.

The reinforcement of securities quoted on the stock exchanges of the Community countries is occurring to a large extent thanks to the TNC and transnational banks of American and Japanese origin. Such trends are also characteristic of the development of the credit-banking systems of Community countries, which are far from standardization; there is simultaneously intensive penetration of the loan capital markets by credit-finance corporations of the United States and Japan.

Similar trends are also being observed in the sphere of instrumental capital, Candidate of Economic Sciences V. Pripisnov believes. Despite the considerable acceleration of the concentration and centralization of capital in the region, the creation of "European" companies has not become a mass phenomenon. The gap between West Europe and the United States in terms of the number, size and competitiveness of the leading industrial companies has been overcome only in the base and traditional sectors. In the newest high-science sectors the lag behind American and Japanese competitors has increased.

In the 1980's (as two decades ago also) companies of one national origin have accounted for more than 60 percent of mergers and takeovers in the Community. When it comes to international mergers and takeovers, on the other hand, EC companies prefer, as a rule, partners from the United States or Japan. For example, in 15 years West European companies concluded 19 international cooperation agreements in computer chip production, but in only 2 of them were the partners West Europeans. Whence the increase in centrifugal trends in the migration of West European capital within the region. EC countries are directly investing in their partners only half as much as in the United States, although only 10 years ago the correlation was the reverse.

Another aspect of this problem was touched on by Candidate of Economic Sciences V. Kapustin: shortcomings of strategic planning among West European firms and the later timeframes of their introduction of inventions compared with the United States and Japan were the reason for a pronounced weakening of the positions of West Europe's monopoly capital at the start of the 1980's. At the same time the development of integration is capable of smoothing over the seriousness of the problems to a certain extent.

Specifically, this development has contributed to the creation of competitive mixed mother companies in the form of holding companies. They merely

concentrate the controlling blocks of shares of firms in which management has been brought closer to production, which distinguishes them from the organizational structures of the United States, which impede prompt decision-making.

Economic integration is enabling West European concerns to avail themselves extensively of the results of interfirm cooperation. This means fulfillment of joint S&T and production programs, contract specialization and the creation of joint ventures. Interfirm cooperation is sometimes an alternative to further mergers and takeovers. The "club of four" made up of Volvo (Sweden), DAF (Netherlands), (Savyem) (France) and (Magirus) (FRG) may serve as an example.

Industrial cooperation frequently leads to the creation of joint enterprises (with a research emphasis included). This strengthens considerably the participants' market positions and enhances the competitiveness of the joint product. At the same time the centripetal trends not only are not doing away with competition but, on the contrary, contributing to its growth, at a higher level, it is true. The growing share of American and Japanese companies in cooperation agreements in West Europe testifies to the erosion of the nucleus of monopoly capital in the region. This is a manifestation of the action of centrifugal forces.

Candidate of Economic Sciences N. Krichigina observed that the EC lacks as yet a common industrial policy. Proposals concerning its formulation (end of the 1960's-start of the 1970's) were not adopted owing to the acute disagreements between countries. Its absence is perceived particularly under the conditions of structural crises.

The European Communities Commission (ECC) is attempting to implement an industrial policy by way of the formulation of uniform company legislation, the adoption of common engineering standards, the creation of a risk capital fund and the use of regional programs and, particularly, by way of the stimulation of joint S&T research in promising spheres. However, as a result of the shortage of resources approximately 10 only of the several dozen projects prepared by the ECC have been approved. The Eureka program should be distinguished particularly.

N. Krichigina supported the idea of those who had spoken earlier concerning the fact that the lack of resources and recognition of competition as the basis of regulation of regional industrial development under the conditions of present-day internationalization are giving rise to West European companies' preference as partners of American and Japanese firms. Thus the "openness" of the West European economy and the relative lagging in the newest industries are leading to a strengthening in the region of the positions of overseas rivals, frequently, to their dominating position in the most important sectors.

Doctor of Economic Sciences T. Belous spoke of the problems of integration at firm level. She noted the rapid development of centralization compared with concentration. Concentration is moving to the international level through direct overseas investment and leading to the appearance either of TNC or associated international property (multinational concerns and joint companies

of different countries). Half of the firms with overseas assets has its headquarters in the EC. However, in terms of the number of the biggest companies the Community is losing its positions compared with the United States.

In T. Belous' opinion, the EC is considerably superior to other regions of the capitalist world in terms of the "degree of transnationality". Multinational concerns are predominantly a European phenomenon, but under current conditions the international composition of capital is effected not by way of the amalgamation of firms of different national origin in multinational concerns but by means of their "partial" merger. A form of such a merger is the founding of international joint companies, which has been experiencing a real boom since the mid-1970's.

The development of concentration has led to the polarization of the firm structure of capitalism: at one pole thereof a diminishing number of consolidating diversified TNC, which operate on the scale of the world capitalist economy or individual regions (the EC), is building up, at the other, an increasing detachment of outsider-firms capable of acting as independent subjects of management on individual commodity markets. In terms of the rate of polarization of the firm structure of the economy the EC yields to the United States. The strengthening in the Community of small numbers of diversified TNC, given the relative deconcentration of production and supply on individual commodity markets, is devaluing the previous methods of monopoly control oriented toward the partners' joint actions on the market and leading to an intensification of competition and a modification of its forms.

The subject of interdependence and the lagging of the Community behind the United States was also touched on by other participants in the roundtable. Speaking of the development of communications, V. Shultseva observed that a central direction of S&T progress in this sphere is a symbiosis of traditional means and computers with an orientation toward the organization of an integrated digital communications system common for all services. A new structural component--an information-industrial complex uniting the production of communications facilities and computer equipment, the information infrastructure (communications system, data banks) and consumers furnished with the appropriate apparatus--is being created. In the last 20-25 years, it is estimated, the United States has spent on the creation of such an infrastructure \$110-120 billion. At the start of the 1980's the United States had stored in its data banks a significant portion of the world fund of information.

We should put among the Community's countermeasures the fast-growing Euronet system with its data banks and communications channels and the adoption of a number of S&T programs, including PACE (wide-band digital communications systems).

Special attention was paid to the development of integration processes in the field of transport by Candidate of Economic Sciences L. Goricheva. She sees it as a factor contributing to the formation of a common economic area. Transport in the Community is one of the biggest sectors of the national economy. Its share of GNP (counting private transport) constitutes up to 20 percent, and it

accounts for 25 percent of energy consumed, 15 percent of fixed capital and 7 percent of the able-bodied population.

Integration processes in transport have developed in breadth and depth. In breadth, from an intra-European transport process to a world process; in depth, from individual economic measures to the formation of a Community transport system with the emphasis on development of the infrastructure.

However, the singularities inherent in transport--territorial-geographical attachment, high capital-intensiveness, the uneven nature of its development by country and the high proportion of transport costs in the costs of a product--are narrowing the possibilities for the realization of integration processes and making transport the "sorriest chapter" of West European integration.

The importance of energy policy for the development of integration processes was emphasized by Candidate of Economic Sciences V. Chernyavina. However, she believed, joint policy in this sphere in the Community is practically absent. Real progress in energy integration is observed only in the creation of the foundations of a common energy resources market--the elimination of barriers in internal trade and introduction of a uniform system of protection against foreign competition. In the past 10-12 years the concept of joint policy has undergone an appreciable evolution: from a recognition of the need for urgent measures to a move from energy crisis to adoption of the special principle of the development of the domestic production and a reduction in imports of oil through orientation toward extensive structural rebuilding in power engineering and transition to an energy-saving economy. However, the collectively outlined goals are being realized mainly with the aid of national mechanisms. As yet only 6-8 percent of total capital investments in the sector are financed thanks to joint resources (although their use has increased markedly), which testifies to the limited nature of the operating mechanism.

Regional problems of the Community were the subject of the speech of A. Shapovalov. Under capitalist conditions, he observed, regulation measures aimed at stimulating economic conditions are perceived least, and measures curbing them, to the greatest extent, in backward industrial regions. As a result the integration process is leading to an increase in the disproportions between the center and the periphery, which is impeding the achievement of the Community's long-term goals. The most backward areas are the small peripheral countries--Portugal, Greece and Ireland--the southern Mediterranean areas of Italy, France and Spain and the northwestern parts of Britain and Ireland.

Resources for the solution of regional problems are allocated by a number of Community organizations, specifically, the European Regional Development Fund. The EC leadership is attempting to change the current mechanism of distribution of the fund's resources in favor of special inter-European programs to stimulate small business, create sectors of the latest technology in areas where the coal-mining, metallurgical and shipbuilding capacity is being wound down and to create a network of so-called innovation centers. The purpose of the latter is to unite in a common system the "science parks" in problem areas of the different countries which have taken shape on the basis

of research institutes and universities. But despite all this, regional disproportions in the Community continue to increase.

The discussion on the political results of integration was opened by Doctor of Historical Sciences Yu. Rubinskiy. He quoted a founder of the Community, W. Hallstein, who compared the EC with a three-stage rocket, where the first stage is commerce, the second, economics, and the third, politics. However, in practice integration has from the very outset incorporated both economic and political components. Integration does not amount to a particular superstructure above the national states but is growing, as it were, via the existing structures of the sovereign states.

In Yu. Rubinskiy's opinion, the synchronism of the economic cycle in West Europe is such that the participants can no longer build their macroeconomic policy in disregard of the policy of their partners. The example of France of the period when the socialists were in office is sufficiently convincing in this respect. At the first stage of integration (end of the 1940's-1950's) the ideas of the supranational path of development of the integration process predominated, at the second (1960's-1970's), rather an interstate approach prevailed. Now, to judge by everything, a third stage, when the two approaches are combined, has arrived.

The main decisions are adopted at the European Council level. This body unites the Community mechanism and political cooperation.

When describing the new trends in the development of international relations in the world capitalist system, Doctor of Historical Sciences D. Melamid said, two heterogeneous and contradictory phenomena should be considered. The first is the growth of the independence of the West European states in decision-making at both the national and all-European levels. The second is the simultaneous increase in interdependence in the interimperialist partnership and rivalry. I would like to stress that there is no mechanical dependence between the strengthening of the independence of individual states and an intensification of interimperialist contradictions in the capitalist world. This can be clearly seen in the example of the deepening of the contradictions between West Europe and the United States in the military-political sphere: on the question of SALT II, the "star wars" problem, ABM systems and so forth.

The purpose of the creation of the EC, according to the intentions of its organizers, was originally, D. Melamid believes, of a predominantly political nature, and for this reason the political element predominates in the Rome agreements of 1957. Subsequently economic tasks, then once again, political tasks and so forth moved to the forefront. A process of the alignment of the economic and political orientation of the EC is being observed at the present time.

Candidate of Economic Sciences R. Shchenin spoke about the military-political aspect of integration. In his opinion, in the mid-1980's the military-political integration of the West European countries entered a new phase of development. It is characterized by two main trends. On the one hand an upgrading of the integration mechanism of the Western European Union, on the other, a strengthening of the Atlantic relations of countries of the region.

The second trend can easily be traced in the example of the participation of the main EC countries in the American SDI program.

West European military-political integration, which is by no means at a standstill, is based on military-economic integration. And in this sphere the facts testify to an expansion in the 1980's of the range and extent of joint R&D and arms production. All the main weapons systems (aside from nuclear) are being developed in the region on the basis of intercountry cooperation in accordance with intergovernmental agreements which have been concluded. By the end of 1986 there were approximately 30 weapons models which had been or were being developed jointly. R. Shchenin concluded that a phase of the strengthening and expansion of West European military-political and military-economic integration had begun in the mid-1980's, and not to the detriment of Atlantic relations, what is more.

From the viewpoint of Candidate of Historical Sciences G. Kolosov, military-political cooperation is currently being exercised at a higher level than in the period when the EC was formed. However, the idea of the formation of a military-political bloc with the participation of all members of the Community is barely practicable. Neither the proposal concerning the promotion of some center and the imparting to it of supranational authority nor ideas of a transition from political to military integration are supported. The coordination of individual programs in the military-economic sphere is developing slowly. The reasons for this are the preservation by the majority of West European countries of close ties to NATO; increased military-technological cooperation with the United States (primarily in connection with the SDI); lack of interest of many West European countries in the creation of a military-political cooperation mechanism autonomous from NATO.

Military-political cooperation is developing under more complex conditions than in the 1960's-1970's. The exacerbation of international tension is contributing as a whole to the cohesion of the NATO countries and the enlistment of West European countries in realization of the SDI and other military programs. The EC countries advocate a gradual expansion of military-political cooperation in the future, without abrupt qualitative changes.

Candidate of Economic Sciences Ye. Talyzina emphasized that West European integration is playing a very important part in a redistribution of forces. The consolidation of the positions of the West European power center has to a considerable extent been brought about by the growth of its military-economic potential. Britain and France have created significant nuclear potential. The countries of the region are implementing large-scale programs of a conventional arms buildup: 30 projects with the participation of France, the FRG, Italy and Belgium have been realized since the start of the 1980's in aerospace-rocket industry alone.

All this has led to a relative weakening of the monopoly positions of the United States in this sphere. The trend toward the creation of an independent West European military-industrial complex is not only increasing the contradictions between the United States and West Europe in the military sphere but extending them to all spheres of American-West European relations.

Rivalry in the sphere of military preparations has signified a trend toward military-engineering polycentrism.

Under conditions where the U.S. leadership attaches importance to the "unity of Europe" under its aegis a number of West European politicians fears that the best minds and S&T potential of West European countries will be used in the interests of the United States. The Eureka program appeared as a response to the SDI.

It would not be legitimate, Candidate of Historical Sciences A. Chervyakov observed, to see the military cooperation of the West European countries as a constantly developing process, which could lead to the creation at the turn of the century of a united army. In the postwar period military cooperation on the continent has undergone periods of ebb and flow, and at the present time it is manifestly not on the upswing. Certain quite objective criteria, including the failure of the main joint programs, testify to this.

The level of military cooperation in West Europe in the 1980's has in fact not risen, and it will subsequently hardly be a leading area of the integration process. Besides such a factor as the lack of faith of the majority of West European partners in the possibility of the creation of independent defenses, almost every one of them has his "national" arguments against a transition in military cooperation to a higher level. In the opinion of A. Chervyakov, the prospects of the military cooperation of the West European countries are highly nebulous.

Candidate of Historical Sciences K. Voronov touched on the problem of Norway's relations with the EC. As a result of a 1972 referendum the ruling circles were forced to confine relations with the Community to an agreement on free trade in industrial commodities. However, the subsequent development of events indicates that it is Norway which could become the 13th member of the EC. The country's leadership is pursuing an active "European policy," endeavoring to compensate for the consequences of the rejection of full EC membership, and seeking ways of rapprochement and expanded participation in the Community. The EC's share of the country's foreign trade grew by a factor of 2.1 in the period 1970-1983, while the share of the European Free Trade Association dwindled by a factor of 2.3.

A new "European debate" virtually began in the country following the assumption of office in May 1986 of the Norwegian Labor Party (NLP) government. Public opinion has approached recognition of the need for a strengthening of relations with West Europe, and the barometer of sentiment has swung in favor of the EC. A consensus on the need to join the Community has in practice been reached between the bourgeois parties and the NLP. Only on tactical questions and, specifically, on the timeframe for submitting an application is there no agreement. However, it cannot be precluded that these disagreements will once again lead to an exacerbation of the domestic political struggle.

In the opinion of Candidate of Historical Sciences S. Andreyev, integration processes are developing in the 1980's most actively in the south of capitalist Europe. It is a question not only of the enlargement of the

Community by southern countries but also of the adoption of a "common Mediterranean policy" of the EC. Four Southern European states--Italy, Spain, Portugal and Greece--have together with France formed a strong Greco-Roman component, having shifted the EC's "center of gravity" to the south. This is occurring at a pivotal moment of choice of path by the Community itself--either progress toward a supranational "Union of Europe" based on a common market or the development of the participants at "different speeds".

The enlargement southward also broaches such most important economic and political questions as relations between the West European and American centers of imperialism, East-West security and cooperation and West Europe's relations with the developing countries, the Mediterranean states and others.

S. Andreyev believes it no accident that the period of stimulation of integration processes in Southern Europe has coincided with the assumption of office or a significant strengthening of the positions in the majority of countries of the region of socialist and social democratic parties. With the EC's enlargement a new situation has taken shape in West Europe. The main thing is that the Southern European countries have begun to play a bigger part in regional and world politics inasmuch as they have gained new opportunities for influencing Community decision-making.

A. Landabaso observed that as of the mid-1970's regional and nationalist movements had strengthened significantly in the political life of West Europe, which has brought about changes in the party-political systems in many countries and influenced the overall situation in the EC. Ethnic-regional problems are not confined to Southern Europe but affect to this extent or other the majority of Community states. The Basque country, Scotland, Wales, Flanders, Brittany, Corsica, Bavaria, Sardinia, Trentino-Alto Adige and others are the most striking examples of acute ethnic-regional problems. An organization coordinating the actions of national regional movements was set up in Brussels in the mid-1970's.

Inasmuch as within certain states, A. Landabaso said, autonomist, separatist and other processes of a regional nature are gathering momentum, there is a redistribution of "central power" in favor of the regions. In the long term this could lead to the creation of some inter-nation community not at state but at regional level, at which the "decision-making center" would be located on the periphery.

The EC's relations with the developing countries were described by A. Afanasyev. The Community is paying the greatest attention to Africa, the Caribbean and the Pacific. Yet commercial agreements with such important partners as the Persian Gulf states are lacking. It is interesting that in periods of a slowing of integration there has been increased cooperation with the developing countries and vice versa.

However, the Community's share of the developing countries' trade has not changed appreciably given the relative weakening of West Europe's positions. A reason for the viability of the structure created by the EC is its flexibility, readiness for a number of concessions and quest for points of contact with weak partners. In A. Afanasyev's opinion, relations with the



emergent states in the 1980's have developed and, most likely, will continue to develop by way of an increase in the number of participants in agreements and spheres of activity and not by way of a real reorientation toward the domestic economic problems of the developing countries, an improvement in the instruments of this policy and an increase in financial resources.

G. Chelyuskina devoted her speech to the EC's relations with the developing countries from the viewpoint of the balance of power of the three imperialist centers. In recent years the positions of the Community as a whole have deteriorated somewhat. Its share of the influx of the industrial states' direct investments in the developing world dwindled from 40 percent in 1973-1975 to 36 percent in 1981-1984, whereas that of the United States grew from 37 to 43 percent and that of Japan declined from 14 to 11 percent.

In the 1980's the role of the Community as a source of external financing of the developing countries has remained significant. According to the calculations of G. Chelyuskina, the EC accounts, as in the 1970's, for 42-43 percent of total official "aid" and credit, the United States, for 27-28 percent, and Japan, more than 14 percent. However, in 1981-1984 there was somewhat of a decline in the Community's role in the extension of bank and commercial credit to the developing countries (to 37 percent). At the same time, however, the significance of American private capital grew, and the positions of Japan remained unchanged (over 11 percent of commercial credit). The developing countries' growing financial indebtedness is increasingly becoming a lever of neocolonialist exploitation.

D. Mikhaylov dwelt on the development of the EC's relations with the Southeast Asian countries. Inasmuch as at the present time dialogue is under way between the regional groupings--the EC and ASEAN--it signifies a higher level of relations and is a new form of collective neocolonialism. The Southeast Asian countries' share of the Community's foreign trade is negligible--3 percent, including ASEAN's 1.1 percent.

Recently the development of trade relations has been complicated by the increasing protectionism on the markets of the industrial countries. Thus in the period 1977-1983 import restrictions were applied in 1,162 cases, and on the greatest number of occasions here by France, Ireland, the Benelux countries and Italy. Only 3 percent of ASEAN commodities were imported into the Community duty-free. The speaker observed that the EC countries account for only 12 percent of the sum total of investments in Southeast Asia (third place after the United States and Japan). The countries of the region are interested in the development of relations with the Community. This is connected with their endeavor to diversify foreign sources of borrowing and thus lessen the influence of the United States and Japan.

Particular urgency has been attached recently to the question of relations between the world's two biggest integration associations--CEMA and the EC. The first to speak on this question was Candidate of Economic Sciences Yu. Andreyev. He observed that the addition to bilateral economic relations of all-European cooperation on a multilateral basis would contribute to a considerable strengthening of the entire set of East-West relations and the material basis of the policy of peaceful coexistence and detente. An important

step forward in the development of these relations was CEMA's proposal (1980) concerning the signing of an agreement between CEMA and the members of the council on the one hand and the EC on the other. This proposal brought the positions of the two sides considerably closer together and demonstrated once again the socialist states' readiness to develop multilateral cooperation on the continent. Although owing to historical circumstances questions of the forms and mechanism of multilateral relations and their institutional sphere have now moved to the forefront of the negotiations between CEMA and the EC, the "loading" of the relations is still of determining significance.

The utmost extension of socialist economic integration is essential, Yu. Andreyev emphasized, for the development of East-West multilateral cooperation. The new steps which are outlined in accordance with the measures adopted in the USSR to upgrade relations with the socialist countries will contribute to a strengthening of CEMA and make it an even more important partner. East-West economic relations are experiencing a difficult, but extraordinarily crucial period. The conclusion of an agreement on the establishment of official relations between CEMA and the EC, whose elaboration, it would appear, is close to completion, will contribute to the surmounting of these difficulties.

The establishment of official relations between CEMA and the EC was discussed by N. Baryshnikova. Such relations would contribute to the realization of the groupings' long-term economic and political goals (cooperation for an acceleration of the two sides' economic development, for example, an expansion of their industrial cooperation in third countries and so forth). She called attention to the fact that the ECC is continuing a policy of a differentiated approach to the socialist countries.

E. Iordanskaya's speech was devoted to the coordination of the EC countries' trade and economic policy in respect of the socialist countries. The protectionist nature of the Community's trade policy has intensified in the 1980's, which has had a negative effect on East-West relations. By way of pressure on the EC countries the U.S. Administration has managed to force them to limit relations with the socialist countries. Whence the aspiration to extend the CoCom lists, that is, the lists of commodities exports of which to the USSR and the other socialist countries are banned or restricted. Tighter control has been established over the ultimate use of the latest technology supplied to the EC countries by the United States to prevent its transfer to the socialist states. A new body--a conference of security and technology specialists--was created in 1985 for this purpose under pressure from Washington.

In recent years the Community countries have managed to achieve certain results in the formulation of a common coordinated credit policy in respect of the socialist countries. Thus the United States won from its West European allies consent to a rise in export credit interest rates. However, the "effectiveness" of the coordination of economic policy is negligible. This is connected both with the nonconcurrence of the interests of the three centers of imperialism and with contradictions in respect of individual aspects of cooperation between Community countries.

As Candidate of Economic Sciences V. Gorskiy observed, the majority of West European states is now a part of the EC. The EFTA countries also are being pulled into cooperation with them increasingly, which is also rallying West Europe around the Community. However, the formation of a common West European market is disuniting East and West Europe. Added to this recently has been the fact that the Community's technology market has been completely fenced off from the socialist countries. All this is negatively influencing East-West political, trade and technical cooperation. A direct consequence of pursuit of the Community's common trade policy is the impossibility of the conclusion of bilateral trade agreements. The coordinated policy of the capitalist camp (under the aegis of CoCom) is also negatively reflected in the development of trade. V. Gorskiy believes that it is only possible to look for any improvements in trade and economic relations given a change in the political climate on the international scene. In his opinion, the existing inauspicious situation could be changed by way of the use of new forms of economic and S&T cooperation.

Candidate of Economic Sciences V. Chistov was opposed to an underestimation of capitalist integration. History shows that although the goals set by the EC were not attained within the scheduled timeframe, after the surmounting of certain difficulties, they have nonetheless become a reality. For this reason it may be claimed that an internal market will also be created sooner or later. Scientific programs are becoming an important feature for the further development of integration. If all the EC's scientific programs, the Eureka program and also the scientific studies of the major monopolies are viewed in a complex, what results is West Europe's considerable step forward along the path of technological reconstruction.

Speaking of the development of East-West relations, the speaker agreed with V. Gorskiy that the trade relations of the socialist and capitalist countries of the region had deteriorated. V. Chistov emphasized that the economic restructuring which is under way currently in the USSR will entail the appearance of temporary problems in the sphere of foreign economic relations. But at the same time conditions are being created for their favorable solution in the future.

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## REPUBLICAN, DEMOCRATIC ECONOMIC DOCTRINES CONTRASTED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNIYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 104-110

[Article by S. Kocharyan: "Republicans and Democrats--Economic Doctrines"]

[Text] Throughout the past 15 years the main efforts of the leaders of the majority of capitalist countries, including the United States, have been geared to "taming" such "results" of development as inflation, federal budget deficits and unemployment. Prices which have gone out of control and the vast army of "superfluous" people have, besides the negative economic effect, increased the intensity of social contradictions. Attempting to bring back to the "norm" indicators on which stability and the authority of the ruling parties depend to a considerable extent, throughout the 1970's administrations set in motion sets of instruments geared predominantly to the marketplace and aimed at a short-term effect. Strategic policy and fundamental reference points in the proposed prescriptions were pushed into the background, as it were. The feverish, largely contradictory actions were often dictated not so much by elements of economic expediency as domestic policy considerations, which led to the accumulation and intensification of the contradictions. The futility of the former methods of leadership of the economy became increasingly obvious.

The emphasis was shifted to deeper seams of the economic mechanism. The question of a stimulation of the growth rate, whose solution, economic policymakers believe, should with a certain fraction of automatism help overcome the difficulties of capitalist countries' economic development, was once again put on the agenda on the main bourgeois parties of the United States.

Naturally, both the Democratic and Republican parties represent a complex political conglomerate. There is within the framework of each party a constant confrontation of factions on both sides of the "center". Specifically, the political orientation of the moderate wing of the Republican Party largely does not correspond to the tenets of rightwing conservatism. An even more contradictory picture is to be observed among the Democrats.

In this case, speaking of the general economic strategy of each party, we refer to the resultants crystallizing out as a result of constant and frequently very acute intraparty struggle.

#### Positions of the Republican Party on the Question of Economic Growth

The incapacity of the Nixon-Ford administrations for solving the problems which had with all seriousness confronted the U.S. economy forced the Republican Party to reconsider its approach to the shaping of economic policy. A growing antistatism based on rightwing conservative concepts was accompanied by an appeal to the market mechanism as the main "engine" of economic growth. Calls for this mechanism to be "freed" from government intervention, which was disrupting its "normal" functioning, came to be heard increasingly loudly.

This explains the advancement by the right wing of the Republican Party of plans for a radical diminution in the share of the GNP redistributed via the budget by means of cuts in taxes and federal government spending, the reduction to a minimum of regulations and instructions controlling various aspects of corporate activity and also other measures affording market forces the maximum freedom.

Thus rightwing conservatives actually remove from the bourgeois state responsibility both for economic development and the solution of social problems inseparably connected with this process. Farming out economic growth, as it were, to the private sector, the U.S. Administration is expanding considerably the field for demagogic maneuver. After all, in the event of success and a certain improvement in matters in the economy, the laurels are, for all that, bestowed on the "farsighted" creators of the doctrines, while failures may be ascribed to the sluggishness of the businessmen, for whom all the conditions for aggressive action had been created.

Nor, naturally, did the election rhetoric forget the social significance of the problem of economic growth. The platform claimed that federal revenues would be sufficient to balance the budget and cater for the financing of health care and social programs and unconditional military superiority. In addition, sufficient resources would be left to cut income tax and other taxes. Economic growth would lead to price stability, and the social benefits would be colossal. More rapid growth, higher income and full employment--this is precisely what is so sorely needed by the unemployed, the needy and the national minorities.

In fulfillment of the scheduled program rightwing conservatives also proposed corresponding measures ensuing from the conceptual basis of "supply-side theory" and the domestic policy tenets of the Republican Party. It was proposed primarily cutting taxes on personal income and corporate profits to stimulate savings and investments; and creating conditions for the accelerated replacement of industrial capacity by way of a simplification of the rules and an acceleration of the rates of depreciation of fixed capital. An important place was assigned stimulation of S&T progress: the encouragement of R&D performed in private companies by means of the introduction of tax allowances for spending on science. It was proposed limiting government spending

(military excepted). The task of balancing the budget without an increase in taxes was set.

The call for economic growth was brought about not so much by the concern of the right wing of the Republican Party for the state of the economy as by political aims. The prospect of a tax cut was undoubtedly to have increased the ranks of supporters of the Republicans and expanded the party's social base.

The fact that even within the Republican Party itself there was no unity of views concerning the possibility of stimulating economic growth with the aid of tax manipulations also testifies to the economic bankruptcy of this concept. In particular, Sen H. Baker, former rival of R. Reagan at the time of his first candidacy, described the rightwing conservative plans for tax cuts as a "political game of chance".

However, when it was a question of the fight for the presidency, economic arguments gave way to the marketplace considerations of the domestic policy struggle. The Kemp-Roth bill, which proposed equal percentage tax cuts for all categories of taxpayers, was put forward by the Republican faction in Congress in 1978 as a practical step. Despite the manifest patina of recklessness, this bill enabled the Republicans to portray their rivals in the role of statesmen refusing the taxpayers a long-awaited alleviation of the "tax burden". The fact that in 1982 even J. Kemp himself publicly acknowledged a change in his views on the tax issue is eloquent testimony that the presentation of the Kemp-Roth plan was dictated by no means by solid economic considerations (1).

Naturally, the eclectic momentary actions of R. Reagan's "economic team" could not blunt even slightly the seriousness of the problems which had most severely affected broad strata of American society--inflation and unemployment. It was necessary to maintain an acceptable growth rate here. There was no shortage of prescriptions. Proceeding from the postulate that a reduction in inflation would automatically reduce unemployment, the devotees of "supply-side theory" painted the most optimistic pictures. For example, a report of the Joint Economic Committee of Congress defended the proposition according to which a dynamic growth rate of the economy under the influence of reduced taxes would cut the excess of demand over supply and thus rein in inflation. At the same time the measures to stimulate supply would raise labor productivity with all the ensuing favorable consequences.

The justified nature of these concepts would seem, even in the estimation of bourgeois experts, highly dubious. The American economist H. Stein believes that none of these theories created the belief that its practical application would permit an appreciable lowering of inflation without an increase in unemployment. But their totality created the illusion of a theoretical base. Strictly speaking, this was what the Republicans needed.

They approached with all "seriousness" and "thoroughness" merely the reduction in government spending, social primarily. In the opinion of representatives of the right wing of the Republicans, it is an irrational form of redistribution of the income of the private capitalist sector confiscated with the aid of taxes. The resources channeled into if only a partial alleviation of the life

The evolution of the EC's S&T policy has revealed many opportunities for the use of integration to accelerate S&T progress. The further intensification of interimperialist rivalry in the sphere of R&D presupposes on the one hand the development of technological polycentrism and, on the other, the increased interdependence of the imperialist centers.

The subject of the technology gap in the polycentrist system was touched on by Candidate of Economic Sciences V. Presnyakov. Under the conditions of the increased "technologization" of international economic relations the technology gap in high-science industries between West Europe, the United States and Japan not only has not diminished, he believes, but has in a number of cases grown even. Using the data of West European specialists and also his own calculations, he compared the positions on the world market of high-science products of the three main power centers. It transpired that of the 37 leading high-science industries, the United States occupies the dominant position in 22, Japan, in 9, and the EC, in 5 cases (high-speed trains, telecommunications, industrial robots, nuclear power engineering and particle physics).

The United States is in vulnerable positions in one instance (high-speed trains), Japan, in four. The weakness of the Community's positions, however, is manifested in such cardinally important spheres as computer chip, semiconductor, very powerful (very high-speed) computer and biological material production. It is here that the technology gap in favor of the United States and Japan continues to increase. As the danger of the current situation is recognized, West Europe is making certain efforts to strengthen its positions. Thus far-reaching goals of the creation of a truly common market of commodities, manpower, capital and services and the increased dynamism of West European companies have been set. But this, as the speaker observed, is for the future.

A different viewpoint was expressed by Candidate of Economic Sciences N. Shelyubskaya. She believes that it is not legitimate to speak about an increase in the S&T gap inasmuch as precise criteria for determining it are lacking. What is often understood by this term is a lag in the level of development of a complex of high-science sectors. However, its composition is changing constantly, has area differences and is not for this reason amenable to precise statistical analysis. It is more correct to pose the question of growing specialization and interdependence.

Integration trends have been strengthening in West Europe since the start of the 1980's. The formulation of a single S&T policy and the creation of a common S&T market have become priority tasks. Objective requirements of the world economy are the basis of this process.

The EC's influence on the development of R&D is determined not so much by its contribution to the financing and expansion of supranational regulation as their coordination and integration. The resources of the EC, on the other hand, spent on science, albeit small compared with the corresponding appropriations of the participants, produce high returns thanks to their concentration in key sectors. The EC's spending has grown, and programs in the

most progressive sectors (information science, microelectronics, biotechnology and so forth) have been given priority, what is more, in the 1980's.

In the opinion of N. Shelyubskaya, the Community countries have entered a new phase of cooperation. Actual steps have been taken on the path of formation of a single market of S&T products and the shaping of a common policy in the field of science and technology. However, the objective process of S&T integration is being held back by the national protectionism of the participants.

Prof M. Bunkina devoted her speech to the problem of technology rivalry. She believes that a trend toward a weakening of the West European center may be discovered merely upon a comparison of the levels of a number of the latest technologies. However, in the mid-1980's West Europe has certain advantages in respect of a strengthening of foreign trade positions (on the U.S. market included) in the currency sphere. It is difficult to view technology in isolation from these indicators. The West Europeans' lag in the sphere of the fundamental sciences would seem dubious also. The technology gap between the United States and the Community is evidently not growing.

The United States' loss of economic hegemony in the capitalist world and at the same time its endeavor to reserve for itself the role of leader are being reflected in East-West relations. The United States is making tremendous efforts to prevent a further development of relations between East and West Europe. For this purpose the U.S. Administration is making use of CoCom activity and a policy of prohibitions and economic sanctions.

Mentions are appearing in certain publications abroad concerning the USSR's aspiration to "split the West". In this connection M.S. Gorbachev emphasized, addressing French members of parliament (1985), that the Soviet Union is not attempting to drive a wedge in relations between the United States and West Europe.

Expressing her opinion in connection with the development of integration, M. Bunkina observed that its institutional structuring is under way and that special attention is being paid to "European symbolism"--a banner, anthem and so forth. However, the equalization of economic and social structures is slowing down, and actual integration is of a fragmentary nature.

The currency sphere, as an important aspect of the Community's development, was the subject of the speech of Candidate of Economic Sciences A. Tsimaylo. In his opinion, integration measures in the currency sphere, mainly the EMS, may be put among the Community's successes. The EMS has coped with the main tasks entrusted to it--the creation and preservation of a zone of relative currency stability and promotion of the coordination of economic policy. The current economic situation, primarily the relative convergence of the members' economic development, contributed to this to a large extent. In addition, pressure on the currencies of the EMS (primarily the Deutschmark) has eased, mainly thanks to the sharp rise in the dollar's exchange rate up to 1985.

As a whole, the EMS has shown itself to be relatively viable, and its further development will depend on many factors--liberalization of the capital markets



of the Community countries and the creation of a common financial market; expansion of the sphere of application of the ECU both within and outside of the EC; standardization and rapprochement of the members' economic policy; and, finally, inclusion in the EMS of the Community countries which do not as yet subscribe to it.

The question of the creation of a common capital market, which is connected with currency integration, was examined by Ya. Zaslavskiy. The inclusion of this task on the program of the Community's activity reflected the trend toward intensification of the international migration of loan capital. However, the process of rapprochement of the national markets in the region is moving in contradictory manner and is determined by the conditions of the development of the international market as a whole.

The reinforcement of securities quoted on the stock exchanges of the Community countries is occurring to a large extent thanks to the TNC and transnational banks of American and Japanese origin. Such trends are also characteristic of the development of the credit-banking systems of Community countries, which are far from standardization; there is simultaneously intensive penetration of the loan capital markets by credit-finance corporations of the United States and Japan.

Similar trends are also being observed in the sphere of instrumental capital, Candidate of Economic Sciences V. Pripisnov believes. Despite the considerable acceleration of the concentration and centralization of capital in the region, the creation of "European" companies has not become a mass phenomenon. The gap between West Europe and the United States in terms of the number, size and competitiveness of the leading industrial companies has been overcome only in the base and traditional sectors. In the newest high-science sectors the lag behind American and Japanese competitors has increased.

In the 1980's (as two decades ago also) companies of one national origin have accounted for more than 60 percent of mergers and takeovers in the Community. When it comes to international mergers and takeovers, on the other hand, EC companies prefer, as a rule, partners from the United States or Japan. For example, in 15 years West European companies concluded 19 international cooperation agreements in computer chip production, but in only 2 of them were the partners West Europeans. Whence the increase in centrifugal trends in the migration of West European capital within the region. EC countries are directly investing in their partners only half as much as in the United States, although only 10 years ago the correlation was the reverse.

Another aspect of this problem was touched on by Candidate of Economic Sciences V. Kapustin: shortcomings of strategic planning among West European firms and the later timeframes of their introduction of inventions compared with the United States and Japan were the reason for a pronounced weakening of the positions of West Europe's monopoly capital at the start of the 1980's. At the same time the development of integration is capable of smoothing over the seriousness of the problems to a certain extent.

Specifically, this development has contributed to the creation of competitive mixed mother companies in the form of holding companies. They merely

concentrate the controlling blocks of shares of firms in which management has been brought closer to production, which distinguishes them from the organizational structures of the United States, which impede prompt decision-making.

Economic integration is enabling West European concerns to avail themselves extensively of the results of interfirm cooperation. This means fulfillment of joint S&T and production programs, contract specialization and the creation of joint ventures. Interfirm cooperation is sometimes an alternative to further mergers and takeovers. The "club of four" made up of Volvo (Sweden), DAF (Netherlands), (Savyem) (France) and (Magirus) (FRG) may serve as an example.

Industrial cooperation frequently leads to the creation of joint enterprises (with a research emphasis included). This strengthens considerably the participants' market positions and enhances the competitiveness of the joint product. At the same time the centripetal trends not only are not doing away with competition but, on the contrary, contributing to its growth, at a higher level, it is true. The growing share of American and Japanese companies in cooperation agreements in West Europe testifies to the erosion of the nucleus of monopoly capital in the region. This is a manifestation of the action of centrifugal forces.

Candidate of Economic Sciences N. Krichigina observed that the EC lacks as yet a common industrial policy. Proposals concerning its formulation (end of the 1960's-start of the 1970's) were not adopted owing to the acute disagreements between countries. Its absence is perceived particularly under the conditions of structural crises.

The European Communities Commission (ECC) is attempting to implement an industrial policy by way of the formulation of uniform company legislation, the adoption of common engineering standards, the creation of a risk capital fund and the use of regional programs and, particularly, by way of the stimulation of joint S&T research in promising spheres. However, as a result of the shortage of resources approximately 10 only of the several dozen projects prepared by the ECC have been approved. The Eureka program should be distinguished particularly.

N. Krichigina supported the idea of those who had spoken earlier concerning the fact that the lack of resources and recognition of competition as the basis of regulation of regional industrial development under the conditions of present-day internationalization are giving rise to West European companies' preference as partners of American and Japanese firms. Thus the "openness" of the West European economy and the relative lagging in the newest industries are leading to a strengthening in the region of the positions of overseas rivals, frequently, to their dominating position in the most important sectors.

Doctor of Economic Sciences T. Belous spoke of the problems of integration at firm level. She noted the rapid development of centralization compared with concentration. Concentration is moving to the international level through direct overseas investment and leading to the appearance either of TNC or associated international property (multinational concerns and joint companies

of different countries). Half of the firms with overseas assets has its headquarters in the EC. However, in terms of the number of the biggest companies the Community is losing its positions compared with the United States.

In T. Belous' opinion, the EC is considerably superior to other regions of the capitalist world in terms of the "degree of transnationality". Multinational concerns are predominantly a European phenomenon, but under current conditions the international composition of capital is effected not by way of the amalgamation of firms of different national origin in multinational concerns but by means of their "partial" merger. A form of such a merger is the founding of international joint companies, which has been experiencing a real boom since the mid-1970's.

The development of concentration has led to the polarization of the firm structure of capitalism: at one pole thereof a diminishing number of consolidating diversified TNC, which operate on the scale of the world capitalist economy or individual regions (the EC), is building up, at the other, an increasing detachment of outsider-firms capable of acting as independent subjects of management on individual commodity markets. In terms of the rate of polarization of the firm structure of the economy the EC yields to the United States. The strengthening in the Community of small numbers of diversified TNC, given the relative deconcentration of production and supply on individual commodity markets, is devaluing the previous methods of monopoly control oriented toward the partners' joint actions on the market and leading to an intensification of competition and a modification of its forms.

The subject of interdependence and the lagging of the Community behind the United States was also touched on by other participants in the roundtable. Speaking of the development of communications, V. Shultseva observed that a central direction of S&T progress in this sphere is a symbiosis of traditional means and computers with an orientation toward the organization of an integrated digital communications system common for all services. A new structural component--an information-industrial complex uniting the production of communications facilities and computer equipment, the information infrastructure (communications system, data banks) and consumers furnished with the appropriate apparatus--is being created. In the last 20-25 years, it is estimated, the United States has spent on the creation of such an infrastructure \$110-120 billion. At the start of the 1980's the United States had stored in its data banks a significant portion of the world fund of information.

We should put among the Community's countermeasures the fast-growing Euronet system with its data banks and communications channels and the adoption of a number of S&T programs, including PACE (wide-band digital communications systems).

Special attention was paid to the development of integration processes in the field of transport by Candidate of Economic Sciences L. Goricheva. She sees it as a factor contributing to the formation of a common economic area. Transport in the Community is one of the biggest sectors of the national economy. Its share of GNP (counting private transport) constitutes up to 20 percent, and it

accounts for 25 percent of energy consumed, 15 percent of fixed capital and 7 percent of the able-bodied population.

Integration processes in transport have developed in breadth and depth. In breadth, from an intra-European transport process to a world process; in depth, from individual economic measures to the formation of a Community transport system with the emphasis on development of the infrastructure.

However, the singularities inherent in transport--territorial-geographical attachment, high capital-intensiveness, the uneven nature of its development by country and the high proportion of transport costs in the costs of a product--are narrowing the possibilities for the realization of integration processes and making transport the "sorriest chapter" of West European integration.

The importance of energy policy for the development of integration processes was emphasized by Candidate of Economic Sciences V. Chernyavina. However, she believed, joint policy in this sphere in the Community is practically absent. Real progress in energy integration is observed only in the creation of the foundations of a common energy resources market--the elimination of barriers in internal trade and introduction of a uniform system of protection against foreign competition. In the past 10-12 years the concept of joint policy has undergone an appreciable evolution: from a recognition of the need for urgent measures to a move from energy crisis to adoption of the special principle of the development of the domestic production and a reduction in imports of oil through orientation toward extensive structural rebuilding in power engineering and transition to an energy-saving economy. However, the collectively outlined goals are being realized mainly with the aid of national mechanisms. As yet only 6-8 percent of total capital investments in the sector are financed thanks to joint resources (although their use has increased markedly), which testifies to the limited nature of the operating mechanism.

Regional problems of the Community were the subject of the speech of A. Shapovalov. Under capitalist conditions, he observed, regulation measures aimed at stimulating economic conditions are perceived least, and measures curbing them, to the greatest extent, in backward industrial regions. As a result the integration process is leading to an increase in the disproportions between the center and the periphery, which is impeding the achievement of the Community's long-term goals. The most backward areas are the small peripheral countries--Portugal, Greece and Ireland--the southern Mediterranean areas of Italy, France and Spain and the northwestern parts of Britain and Ireland.

Resources for the solution of regional problems are allocated by a number of Community organizations, specifically, the European Regional Development Fund. The EC leadership is attempting to change the current mechanism of distribution of the fund's resources in favor of special inter-European programs to stimulate small business, create sectors of the latest technology in areas where the coal-mining, metallurgical and shipbuilding capacity is being wound down and to create a network of so-called innovation centers. The purpose of the latter is to unite in a common system the "science parks" in problem areas of the different countries which have taken shape on the basis

of research institutes and universities. But despite all this, regional disproportions in the Community continue to increase.

The discussion on the political results of integration was opened by Doctor of Historical Sciences Yu. Rubinskiy. He quoted a founder of the Community, W. Hallstein, who compared the EC with a three-stage rocket, where the first stage is commerce, the second, economics, and the third, politics. However, in practice integration has from the very outset incorporated both economic and political components. Integration does not amount to a particular superstructure above the national states but is growing, as it were, via the existing structures of the sovereign states.

In Yu. Rubinskiy's opinion, the synchronism of the economic cycle in West Europe is such that the participants can no longer build their macroeconomic policy in disregard of the policy of their partners. The example of France of the period when the socialists were in office is sufficiently convincing in this respect. At the first stage of integration (end of the 1940's-1950's) the ideas of the supranational path of development of the integration process predominated, at the second (1960's-1970's), rather an interstate approach prevailed. Now, to judge by everything, a third stage, when the two approaches are combined, has arrived.

The main decisions are adopted at the European Council level. This body unites the Community mechanism and political cooperation.

When describing the new trends in the development of international relations in the world capitalist system, Doctor of Historical Sciences D. Melamid said, two heterogeneous and contradictory phenomena should be considered. The first is the growth of the independence of the West European states in decision-making at both the national and all-European levels. The second is the simultaneous increase in interdependence in the interimperialist partnership and rivalry. I would like to stress that there is no mechanical dependence between the strengthening of the independence of individual states and an intensification of interimperialist contradictions in the capitalist world. This can be clearly seen in the example of the deepening of the contradictions between West Europe and the United States in the military-political sphere: on the question of SALT II, the "star wars" problem, ABM systems and so forth.

The purpose of the creation of the EC, according to the intentions of its organizers, was originally, D. Melamid believes, of a predominantly political nature, and for this reason the political element predominates in the Rome agreements of 1957. Subsequently economic tasks, then once again, political tasks and so forth moved to the forefront. A process of the alignment of the economic and political orientation of the EC is being observed at the present time.

Candidate of Economic Sciences R. Shchenin spoke about the military-political aspect of integration. In his opinion, in the mid-1980's the military-political integration of the West European countries entered a new phase of development. It is characterized by two main trends. On the one hand an upgrading of the integration mechanism of the Western European Union, on the other, a strengthening of the Atlantic relations of countries of the region.

The second trend can easily be traced in the example of the participation of the main EC countries in the American SDI program.

West European military-political integration, which is by no means at a standstill, is based on military-economic integration. And in this sphere the facts testify to an expansion in the 1980's of the range and extent of joint R&D and arms production. All the main weapons systems (aside from nuclear) are being developed in the region on the basis of intercountry cooperation in accordance with intergovernmental agreements which have been concluded. By the end of 1986 there were approximately 30 weapons models which had been or were being developed jointly. R. Shchenin concluded that a phase of the strengthening and expansion of West European military-political and military-economic integration had begun in the mid-1980's, and not to the detriment of Atlantic relations, what is more.

From the viewpoint of Candidate of Historical Sciences G. Kolosov, military-political cooperation is currently being exercised at a higher level than in the period when the EC was formed. However, the idea of the formation of a military-political bloc with the participation of all members of the Community is barely practicable. Neither the proposal concerning the promotion of some center and the imparting to it of supranational authority nor ideas of a transition from political to military integration are supported. The coordination of individual programs in the military-economic sphere is developing slowly. The reasons for this are the preservation by the majority of West European countries of close ties to NATO; increased military-technological cooperation with the United States (primarily in connection with the SDI); lack of interest of many West European countries in the creation of a military-political cooperation mechanism autonomous from NATO.

Military-political cooperation is developing under more complex conditions than in the 1960's-1970's. The exacerbation of international tension is contributing as a whole to the cohesion of the NATO countries and the enlistment of West European countries in realization of the SDI and other military programs. The EC countries advocate a gradual expansion of military-political cooperation in the future, without abrupt qualitative changes.

Candidate of Economic Sciences Ye. Talyzina emphasized that West European integration is playing a very important part in a redistribution of forces. The consolidation of the positions of the West European power center has to a considerable extent been brought about by the growth of its military-economic potential. Britain and France have created significant nuclear potential. The countries of the region are implementing large-scale programs of a conventional arms buildup: 30 projects with the participation of France, the FRG, Italy and Belgium have been realized since the start of the 1980's in aerospace-rocket industry alone.

All this has led to a relative weakening of the monopoly positions of the United States in this sphere. The trend toward the creation of an independent West European military-industrial complex is not only increasing the contradictions between the United States and West Europe in the military sphere but extending them to all spheres of American-West European relations.

Rivalry in the sphere of military preparations has signified a trend toward military-engineering polycentrism.

Under conditions where the U.S. leadership attaches importance to the "unity of Europe" under its aegis a number of West European politicians fears that the best minds and S&T potential of West European countries will be used in the interests of the United States. The Eureka program appeared as a response to the SDI.

It would not be legitimate, Candidate of Historical Sciences A. Chervyakov observed, to see the military cooperation of the West European countries as a constantly developing process, which could lead to the creation at the turn of the century of a united army. In the postwar period military cooperation on the continent has undergone periods of ebb and flow, and at the present time it is manifestly not on the upswing. Certain quite objective criteria, including the failure of the main joint programs, testify to this.

The level of military cooperation in West Europe in the 1980's has in fact not risen, and it will subsequently hardly be a leading area of the integration process. Besides such a factor as the lack of faith of the majority of West European partners in the possibility of the creation of independent defenses, almost every one of them has his "national" arguments against a transition in military cooperation to a higher level. In the opinion of A. Chervyakov, the prospects of the military cooperation of the West European countries are highly nebulous.

Candidate of Historical Sciences K. Voronov touched on the problem of Norway's relations with the EC. As a result of a 1972 referendum the ruling circles were forced to confine relations with the Community to an agreement on free trade in industrial commodities. However, the subsequent development of events indicates that it is Norway which could become the 13th member of the EC. The country's leadership is pursuing an active "European policy," endeavoring to compensate for the consequences of the rejection of full EC membership, and seeking ways of rapprochement and expanded participation in the Community. The EC's share of the country's foreign trade grew by a factor of 2.1 in the period 1970-1983, while the share of the European Free Trade Association dwindled by a factor of 2.3.

A new "European debate" virtually began in the country following the assumption of office in May 1986 of the Norwegian Labor Party (NLP) government. Public opinion has approached recognition of the need for a strengthening of relations with West Europe, and the barometer of sentiment has swung in favor of the EC. A consensus on the need to join the Community has in practice been reached between the bourgeois parties and the NLP. Only on tactical questions and, specifically, on the timeframe for submitting an application is there no agreement. However, it cannot be precluded that these disagreements will once again lead to an exacerbation of the domestic political struggle.

In the opinion of Candidate of Historical Sciences S. Andreyev, integration processes are developing in the 1980's most actively in the south of capitalist Europe. It is a question not only of the enlargement of the

Community by southern countries but also of the adoption of a "common Mediterranean policy" of the EC. Four Southern European states--Italy, Spain, Portugal and Greece--have together with France formed a strong Greco-Roman component, having shifted the EC's "center of gravity" to the south. This is occurring at a pivotal moment of choice of path by the Community itself--either progress toward a supranational "Union of Europe" based on a common market or the development of the participants at "different speeds".

The enlargement southward also broaches such most important economic and political questions as relations between the West European and American centers of imperialism, East-West security and cooperation and West Europe's relations with the developing countries, the Mediterranean states and others.

S. Andreyev believes it no accident that the period of stimulation of integration processes in Southern Europe has coincided with the assumption of office or a significant strengthening of the positions in the majority of countries of the region of socialist and social democratic parties. With the EC's enlargement a new situation has taken shape in West Europe. The main thing is that the Southern European countries have begun to play a bigger part in regional and world politics inasmuch as they have gained new opportunities for influencing Community decision-making.

A. Landabaso observed that as of the mid-1970's regional and nationalist movements had strengthened significantly in the political life of West Europe, which has brought about changes in the party-political systems in many countries and influenced the overall situation in the EC. Ethnic-regional problems are not confined to Southern Europe but affect to this extent or other the majority of Community states. The Basque country, Scotland, Wales, Flanders, Brittany, Corsica, Bavaria, Sardinia, Trentino-Alto Adige and others are the most striking examples of acute ethnic-regional problems. An organization coordinating the actions of national regional movements was set up in Brussels in the mid-1970's.

Inasmuch as within certain states, A. Landabaso said, autonomist, separatist and other processes of a regional nature are gathering momentum, there is a redistribution of "central power" in favor of the regions. In the long term this could lead to the creation of some inter-nation community not at state but at regional level, at which the "decision-making center" would be located on the periphery.

The EC's relations with the developing countries were described by A. Afanasyev. The Community is paying the greatest attention to Africa, the Caribbean and the Pacific. Yet commercial agreements with such important partners as the Persian Gulf states are lacking. It is interesting that in periods of a slowing of integration there has been increased cooperation with the developing countries and vice versa.

However, the Community's share of the developing countries' trade has not changed appreciably given the relative weakening of West Europe's positions. A reason for the viability of the structure created by the EC is its flexibility, readiness for a number of concessions and quest for points of contact with weak partners. In A. Afanasyev's opinion, relations with the



emergent states in the 1980's have developed and, most likely, will continue to develop by way of an increase in the number of participants in agreements and spheres of activity and not by way of a real reorientation toward the domestic economic problems of the developing countries, an improvement in the instruments of this policy and an increase in financial resources.

G. Chelyuskina devoted her speech to the EC's relations with the developing countries from the viewpoint of the balance of power of the three imperialist centers. In recent years the positions of the Community as a whole have deteriorated somewhat. Its share of the influx of the industrial states' direct investments in the developing world dwindled from 40 percent in 1973-1975 to 36 percent in 1981-1984, whereas that of the United States grew from 37 to 43 percent and that of Japan declined from 14 to 11 percent.

In the 1980's the role of the Community as a source of external financing of the developing countries has remained significant. According to the calculations of G. Chelyuskina, the EC accounts, as in the 1970's, for 42-43 percent of total official "aid" and credit, the United States, for 27-28 percent, and Japan, more than 14 percent. However, in 1981-1984 there was somewhat of a decline in the Community's role in the extension of bank and commercial credit to the developing countries (to 37 percent). At the same time, however, the significance of American private capital grew, and the positions of Japan remained unchanged (over 11 percent of commercial credit). The developing countries' growing financial indebtedness is increasingly becoming a lever of neocolonialist exploitation.

D. Mikhaylov dwelt on the development of the EC's relations with the Southeast Asian countries. Inasmuch as at the present time dialogue is under way between the regional groupings--the EC and ASEAN--it signifies a higher level of relations and is a new form of collective neocolonialism. The Southeast Asian countries' share of the Community's foreign trade is negligible--3 percent, including ASEAN's 1.1 percent.

Recently the development of trade relations has been complicated by the increasing protectionism on the markets of the industrial countries. Thus in the period 1977-1983 import restrictions were applied in 1,162 cases, and on the greatest number of occasions here by France, Ireland, the Benelux countries and Italy. Only 3 percent of ASEAN commodities were imported into the Community duty-free. The speaker observed that the EC countries account for only 12 percent of the sum total of investments in Southeast Asia (third place after the United States and Japan). The countries of the region are interested in the development of relations with the Community. This is connected with their endeavor to diversify foreign sources of borrowing and thus lessen the influence of the United States and Japan.

Particular urgency has been attached recently to the question of relations between the world's two biggest integration associations--CEMA and the EC. The first to speak on this question was Candidate of Economic Sciences Yu. Andreyev. He observed that the addition to bilateral economic relations of all-European cooperation on a multilateral basis would contribute to a considerable strengthening of the entire set of East-West relations and the material basis of the policy of peaceful coexistence and detente. An important

step forward in the development of these relations was CEMA's proposal (1980) concerning the signing of an agreement between CEMA and the members of the council on the one hand and the EC on the other. This proposal brought the positions of the two sides considerably closer together and demonstrated once again the socialist states' readiness to develop multilateral cooperation on the continent. Although owing to historical circumstances questions of the forms and mechanism of multilateral relations and their institutional sphere have now moved to the forefront of the negotiations between CEMA and the EC, the "loading" of the relations is still of determining significance.

The utmost extension of socialist economic integration is essential, Yu. Andreyev emphasized, for the development of East-West multilateral cooperation. The new steps which are outlined in accordance with the measures adopted in the USSR to upgrade relations with the socialist countries will contribute to a strengthening of CEMA and make it an even more important partner. East-West economic relations are experiencing a difficult, but extraordinarily crucial period. The conclusion of an agreement on the establishment of official relations between CEMA and the EC, whose elaboration, it would appear, is close to completion, will contribute to the surmounting of these difficulties.

The establishment of official relations between CEMA and the EC was discussed by N. Baryshnikova. Such relations would contribute to the realization of the groupings' long-term economic and political goals (cooperation for an acceleration of the two sides' economic development, for example, an expansion of their industrial cooperation in third countries and so forth). She called attention to the fact that the ECC is continuing a policy of a differentiated approach to the socialist countries.

E. Iordanskaya's speech was devoted to the coordination of the EC countries' trade and economic policy in respect of the socialist countries. The protectionist nature of the Community's trade policy has intensified in the 1980's, which has had a negative effect on East-West relations. By way of pressure on the EC countries the U.S. Administration has managed to force them to limit relations with the socialist countries. Whence the aspiration to extend the CoCom lists, that is, the lists of commodities exports of which to the USSR and the other socialist countries are banned or restricted. Tighter control has been established over the ultimate use of the latest technology supplied to the EC countries by the United States to prevent its transfer to the socialist states. A new body--a conference of security and technology specialists--was created in 1985 for this purpose under pressure from Washington.

In recent years the Community countries have managed to achieve certain results in the formulation of a common coordinated credit policy in respect of the socialist countries. Thus the United States won from its West European allies consent to a rise in export credit interest rates. However, the "effectiveness" of the coordination of economic policy is negligible. This is connected both with the nonconcurrence of the interests of the three centers of imperialism and with contradictions in respect of individual aspects of cooperation between Community countries.

As Candidate of Economic Sciences V. Gorskiy observed, the majority of West European states is now a part of the EC. The EFTA countries also are being pulled into cooperation with them increasingly, which is also rallying West Europe around the Community. However, the formation of a common West European market is disuniting East and West Europe. Added to this recently has been the fact that the Community's technology market has been completely fenced off from the socialist countries. All this is negatively influencing East-West political, trade and technical cooperation. A direct consequence of pursuit of the Community's common trade policy is the impossibility of the conclusion of bilateral trade agreements. The coordinated policy of the capitalist camp (under the aegis of CoCom) is also negatively reflected in the development of trade. V. Gorskiy believes that it is only possible to look for any improvements in trade and economic relations given a change in the political climate on the international scene. In his opinion, the existing inauspicious situation could be changed by way of the use of new forms of economic and S&T cooperation.

Candidate of Economic Sciences V. Chistov was opposed to an underestimation of capitalist integration. History shows that although the goals set by the EC were not attained within the scheduled timeframe, after the surmounting of certain difficulties, they have nonetheless become a reality. For this reason it may be claimed that an internal market will also be created sooner or later. Scientific programs are becoming an important feature for the further development of integration. If all the EC's scientific programs, the Eureka program and also the scientific studies of the major monopolies are viewed in a complex, what results is West Europe's considerable step forward along the path of technological reconstruction.

Speaking of the development of East-West relations, the speaker agreed with V. Gorskiy that the trade relations of the socialist and capitalist countries of the region had deteriorated. V. Chistov emphasized that the economic restructuring which is under way currently in the USSR will entail the appearance of temporary problems in the sphere of foreign economic relations. But at the same time conditions are being created for their favorable solution in the future.

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## REPUBLICAN, DEMOCRATIC ECONOMIC DOCTRINES CONTRASTED

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[Article by S. Kocharyan: "Republicans and Democrats--Economic Doctrines"]

[Text] Throughout the past 15 years the main efforts of the leaders of the majority of capitalist countries, including the United States, have been geared to "taming" such "results" of development as inflation, federal budget deficits and unemployment. Prices which have gone out of control and the vast army of "superfluous" people have, besides the negative economic effect, increased the intensity of social contradictions. Attempting to bring back to the "norm" indicators on which stability and the authority of the ruling parties depend to a considerable extent, throughout the 1970's administrations set in motion sets of instruments geared predominantly to the marketplace and aimed at a short-term effect. Strategic policy and fundamental reference points in the proposed prescriptions were pushed into the background, as it were. The feverish, largely contradictory actions were often dictated not so much by elements of economic expediency as domestic policy considerations, which led to the accumulation and intensification of the contradictions. The futility of the former methods of leadership of the economy became increasingly obvious.

The emphasis was shifted to deeper seams of the economic mechanism. The question of a stimulation of the growth rate, whose solution, economic policymakers believe, should with a certain fraction of automatism help overcome the difficulties of capitalist countries' economic development, was once again put on the agenda on the main bourgeois parties of the United States.

Naturally, both the Democratic and Republican parties represent a complex political conglomerate. There is within the framework of each party a constant confrontation of factions on both sides of the "center". Specifically, the political orientation of the moderate wing of the Republican Party largely does not correspond to the tenets of rightwing conservatism. An even more contradictory picture is to be observed among the Democrats.

In this case, speaking of the general economic strategy of each party, we refer to the resultants crystallizing out as a result of constant and frequently very acute intraparty struggle.

#### Positions of the Republican Party on the Question of Economic Growth

The incapacity of the Nixon-Ford administrations for solving the problems which had with all seriousness confronted the U.S. economy forced the Republican Party to reconsider its approach to the shaping of economic policy. A growing antistatism based on rightwing conservative concepts was accompanied by an appeal to the market mechanism as the main "engine" of economic growth. Calls for this mechanism to be "freed" from government intervention, which was disrupting its "normal" functioning, came to be heard increasingly loudly.

This explains the advancement by the right wing of the Republican Party of plans for a radical diminution in the share of the GNP redistributed via the budget by means of cuts in taxes and federal government spending, the reduction to a minimum of regulations and instructions controlling various aspects of corporate activity and also other measures affording market forces the maximum freedom.

Thus rightwing conservatives actually remove from the bourgeois state responsibility both for economic development and the solution of social problems inseparably connected with this process. Farming out economic growth, as it were, to the private sector, the U.S. Administration is expanding considerably the field for demagogic maneuver. After all, in the event of success and a certain improvement in matters in the economy, the laurels are, for all that, bestowed on the "farsighted" creators of the doctrines, while failures may be ascribed to the sluggishness of the businessmen, for whom all the conditions for aggressive action had been created.

Nor, naturally, did the election rhetoric forget the social significance of the problem of economic growth. The platform claimed that federal revenues would be sufficient to balance the budget and cater for the financing of health care and social programs and unconditional military superiority. In addition, sufficient resources would be left to cut income tax and other taxes. Economic growth would lead to price stability, and the social benefits would be colossal. More rapid growth, higher income and full employment--this is precisely what is so sorely needed by the unemployed, the needy and the national minorities.

In fulfillment of the scheduled program rightwing conservatives also proposed corresponding measures ensuing from the conceptual basis of "supply-side theory" and the domestic policy tenets of the Republican Party. It was proposed primarily cutting taxes on personal income and corporate profits to stimulate savings and investments; and creating conditions for the accelerated replacement of industrial capacity by way of a simplification of the rules and an acceleration of the rates of depreciation of fixed capital. An important place was assigned stimulation of S&T progress: the encouragement of R&D performed in private companies by means of the introduction of tax allowances for spending on science. It was proposed limiting government spending

(military excepted). The task of balancing the budget without an increase in taxes was set.

The call for economic growth was brought about not so much by the concern of the right wing of the Republican Party for the state of the economy as by political aims. The prospect of a tax cut was undoubtedly to have increased the ranks of supporters of the Republicans and expanded the party's social base.

The fact that even within the Republican Party itself there was no unity of views concerning the possibility of stimulating economic growth with the aid of tax manipulations also testifies to the economic bankruptcy of this concept. In particular, Sen H. Baker, former rival of R. Reagan at the time of his first candidacy, described the rightwing conservative plans for tax cuts as a "political game of chance".

However, when it was a question of the fight for the presidency, economic arguments gave way to the marketplace considerations of the domestic policy struggle. The Kemp-Roth bill, which proposed equal percentage tax cuts for all categories of taxpayers, was put forward by the Republican faction in Congress in 1978 as a practical step. Despite the manifest patina of recklessness, this bill enabled the Republicans to portray their rivals in the role of statesmen refusing the taxpayers a long-awaited alleviation of the "tax burden". The fact that in 1982 even J. Kemp himself publicly acknowledged a change in his views on the tax issue is eloquent testimony that the presentation of the Kemp-Roth plan was dictated by no means by solid economic considerations (1).

Naturally, the eclectic momentary actions of R. Reagan's "economic team" could not blunt even slightly the seriousness of the problems which had most severely affected broad strata of American society--inflation and unemployment. It was necessary to maintain an acceptable growth rate here. There was no shortage of prescriptions. Proceeding from the postulate that a reduction in inflation would automatically reduce unemployment, the devotees of "supply-side theory" painted the most optimistic pictures. For example, a report of the Joint Economic Committee of Congress defended the proposition according to which a dynamic growth rate of the economy under the influence of reduced taxes would cut the excess of demand over supply and thus rein in inflation. At the same time the measures to stimulate supply would raise labor productivity with all the ensuing favorable consequences.

The justified nature of these concepts would seem, even in the estimation of bourgeois experts, highly dubious. The American economist H. Stein believes that none of these theories created the belief that its practical application would permit an appreciable lowering of inflation without an increase in unemployment. But their totality created the illusion of a theoretical base. Strictly speaking, this was what the Republicans needed.

They approached with all "seriousness" and "thoroughness" merely the reduction in government spending, social primarily. In the opinion of representatives of the right wing of the Republicans, it is an irrational form of redistribution of the income of the private capitalist sector confiscated with the aid of taxes. The resources channeled into if only a partial alleviation of the life

of the needy could have been channeled to greater "advantage" into investments and served the cause of an acceleration of the economic growth rate.

It has to be emphasized that the Republicans occupy a firm position on the question of a cutback in social programs. While recognizing that cutting assistance is fraught with the danger of an exacerbation of social tension, they are campaigning with a persistence worthy of a better application for its minimization even in the event of economic growth proving sufficient to maintain the amount of tax revenue at the necessary level. The theory adopted by the present occupants of the White House represents this measure both as a means of balancing the budget and as a stimulator of economic growth allegedly thanks to the fact that, having ceased to receive benefits, some of the unemployed who are dependent on the government will go and work and that this, in turn, will serve as a further source of tax proceeds.

At the first stages of the election struggle the Republicans had to maneuver in order that the reduction in budget expenditure not be perceived as an assertive attack on social programs. Inasmuch as "supply-side theory" did not contain ready prescriptions concerning such compromises, propositions which were vague, but suitable for any occasion were circulated to the effect that "there is much fat in the budget which can be cut without detriment to anyone." The tendentious analysis of the efficiency of a number of government programs frequently culminated in the conclusion that the results "are not worth the expenditure obtaining them."

As the Republican Party's positions strengthened, there was a change also in the set of conservative tenets constituting the conceptual basis of "Reaganomics". At the initial stages of the fight for the nomination R. Reagan did not emphasize the "revitalizing," from his viewpoint, impact of lower taxes on the growth rate and the general recovery of the economy, fearing that such a radical interpretation could drain off some voters.

The growing activeness of rightwing conservative circles also changed the emphases in the programs being put forward. It was now necessary not so much to attract new supporters as to persuade the main masses of potential voters of the balanced approach to economic problems and the endeavor to comprehend them and to make every effort to overcome them.

A group of authoritative representatives of the neoclassical school was brought in as advisers: G. Shultz, M. Friedman, A. Burns, A. Greenspan and others. Far from all of them were consistent supporters of "supply-side theory". For example, A. Greenspan, who undertook a quantitative substantiation of "Reaganomics," did not conceal an estimate according to which only 20 percent of the overall loss of government revenue as a consequence of tax cuts could be compensated as a result of an acceleration of the economic growth rate.

Despite the certain discordancy, the rightwing Republicans nonetheless succeeded in creating the appearance of scientific substantiation of the election program. A forecast of the Senate Finance Committee containing estimates of the rate of economic growth in the period 1981-1985 and of inflation and quantitative characterizations of a number of other most

important economic parameters was used as evidence. According to these "strictly scientific" calculations, an appreciable acceleration of the growth rate, the balancing of the 1983 budget and its surplus balance in 1985 were predicted. However, the actual course of events crippled the outlines carefully constructed by the champions of "Reaganomics" (2).

Actually, nothing else was to have been expected. After all, the economic substantiation of the Republican Party program pursued the goal of creating the illusion of the plausibility of election promises. Tax cuts, which promised a direct increase in the income of the middle strata, eclipsed for the bulk of the electorate the problem of the feasibility and substantiation of all the remaining points. Yet the problem of economic growth was touched on merely to the extent to which the appeal thereto made it possible to substantiate the elements of the party's economic platform which were the most important for the Republicans (from the political viewpoint).

#### The Democratic Party Armed With Neoliberalism

The Democrats sustained a crushing defeat at the 1984 elections. However, despite the widespread opinion concerning the collapse of liberalism as an ideological-political current, it has remained a most important node of the domestic political life of the United States. It was essentially not the goals themselves proclaimed by the supporters of liberalism which were rejected but the methods of achieving them.

The sociopolitical and economic aspects of the Democrats' platform underwent a crisis also. The bankruptcy of economic policy had been manifested as clearly as could be in the latter half of the 1970's. It is appropriate in this connection to quote the American press in connection with the reasons for the Democrats' defeat: "It was a repudiation of J. Carter, as, equally, the liberalism of the 'Great Society'.... It is essential that the Democratic Party formulate something which might be called a neoliberal ideology" (3).

The need for a renovation of conceptual tenets summoned into being new ideas and approaches to the problem of regulation of the economy. Their totality came to be called neoliberalism. As of the end of the 1970's-start of the 1980's it came to be employed predominantly to characterize a leading current within the framework of the Democratic Party.

Neoliberalism is supported by most influential forces--the so-called "new generation" of the party uniting influential politicians, top businessmen and representatives of the press. The most prominent figures are senators G. Hart, P. Tsongas and B. Bradley and congressmen T. Wirth and R. Gephardt. Theoretical principles are being developed by such authoritative scholars as L. Thurow, R. (Reych) and others.

As distinct from the traditional liberals, the "new generation" relies not on the Democratic Party coalition which took shape historically back in the 1930's-1940's. The present neoliberals are oriented predominantly toward representatives of the S&T intelligentsia, small businessmen and the youth from well-to-do families. Accordingly, the economic concepts of the "new



generation" of Democrats are being constructed with regard for the interests precisely of these strata of society.

Traditional liberalism propounds domestic political stability, which is achieved by way of social maneuvering. Economic growth here performs a subordinate role, as it were, exercising the functions of the material base creating conditions for such maneuvers. In the concepts of neoliberalism the components are the same, but their priority nature has changed. Explaining the essence of his party's policy, Sen B. Bradley deemed it necessary to specify that the priority nature of the social tenets of liberalism is secondary when it is a question of the health of the economy. In the opinion of the Democrats, the main task now is to get the economy "moving" once again. And A. (Tomases), prominent representative of neoliberalism, stated plainly that this current is characterized by more attention to economic and not social problems.

Not only the goals but also the methods of achieving them have changed. There has been a partial abandonment of Keynesianism as the methodology of formation of official economic policy and the strategy of securing economic growth.

The Keynesian method of regulation of macroeconomic processes predominantly via demand is being replaced in the Democrats' present-day doctrines by direct intervention at the production level, and greater significance is attached to regulation at the microlevel. A considerable modification of the mechanism of state-monopoly regulation of the economy is proposed. The institutional aspect of neoliberal policy of securing economic growth is aimed at the increased mutual penetration of the government and the private sector as a means of enhancing the efficiency of intervention in the economy. The set of neoliberal concepts of ensuring economic growth is called "industrial policy".

The general thrust of the United States' socioeconomic development in the neoliberals' interpretation is connected with the conversion of American society into a so-called post-industrial society, in which a relatively small proportion of social labor as a consequence of its increased productivity should be spent on satisfaction of its members' material requirements. The neoliberals find individual elements of the "new" society in present-day America even, regarding as such S&T progress and the development of the "information complex" and high-science industries.

This approach compelled a different view of the problem of economic growth. As distinct from traditional liberalism based on the Keynesian proposition that the innovation process is exterior in relation to the development of the economy, the neoliberals highlight S&T progress as a basic factor of economic growth. Starting from the theoretical developments of J. Schumpeter, according to which scientific achievements are the engine of the economy and innovations lead to the formation of new markets and methods of managing production, the neoliberals deem it necessary to influence the constituents of growth by means of the stimulation of the scientifically progressive sectors and branches of the economy. In this connection they propose a reorientation of financing toward "rising" industries--biotechnology, fiber optics, robot production, electronics and so forth.

Neoliberals propose the formulation of a set of state-monopoly measures--both government and on the part of the private sector--to provide for the preferential growth of the high-science sectors. The "strategic investment initiative" actively propagandized by G. Hart is sustained in this key (4). It in fact represents a long-term program of stimulation of capital investments in the progressive sectors. It is proposed granting such industries long-term special loans and subsidies.

Quite a lot of attention is paid to small business. Its role in electronics, biotechnology and the production of new materials is emphasized. In a certain sense the dynamism of this social group, its "boldness" in the assimilation of a number of industries and its market aggressiveness are counterposed to the giant corporations which hitherto personified economic efficiency. G. Hart, in particular, has written: "The most active, innovative and diverse sector of the economy... is small business.... We should invest money where it can be used, that is, where individual entrepreneurs can obtain it" (5).

A most important element of the neoliberals' program of ensuring economic growth is the question of stimulation of savings and investments. It is worth noting that almost 10 years prior to the introduction in the United States of new tax laws they were putting forward plans for tax reform many of whose provisions are a part of the legislation which has been enacted. The neoliberals propose an increase in taxes on the consumption side of revenue and a reduction on the accumulation and investment side. A reduction in the rules and timeframe of depreciation, the encouragement and rationalization of the structure of investment and others are seen as measures stimulating economic growth. "Human capital" is considered an important ingredient of progress.

For realization of their aims the neoliberals contemplate a modification of the mechanism of state-monopoly regulation. The idea of the need for an expansion of state influence on the country's economic life is advanced. However, in the present concepts the state and the market are not counterposed but seen as interacting and mutually complementary elements of the mechanism providing for economic growth. Drawing rigid boundaries between the state and the market has, the neoliberals believe, long been meaningless. The state creates the market, determining the conditions and framework of entrepreneurial activity on the basis of the standards and ideas accepted in society concerning the state's responsibility for the healthy functioning of the economy. The interpretation of the relations of the state and the private sector as one-sided influence on the businessmen appears outdated to the neoliberals. In their opinion, this process is more complex and not so unambiguous, and the role of the state needs to be enhanced, but it should consist of assistance and not interference and the issuing of decrees.

The concepts of "tripartism," according to which representatives of business and the unions should participate in management of the economy together with government authorities, despite possible divergences in their views and interests, and the main thing should be provision for a process within whose framework all interested parties might perform joint work to solve problems which arise on the basis of coordination and consensus, are being elaborated.

In the course of the actual political struggle to adapt the basic postulates formulated by scholars to reality the doctrines of neoliberalism have undergone appreciable changes. Only on the threshold of the 1984 campaign did neoliberalism become firmly established in the Democratic Party, when the terms "industrial policy," "human capital" and such were put to use by its leading figures. However, the defeat at the elections demonstrated that the partial modification of the platform, given preservation as a whole of its former strategic line, had not had a positive impact on the Democratic Party's position. On the other hand, this served as impetus to a more assertive reorientation toward the representatives of the "new generation," which increased their influence as a result of the search for compromise with the "traditional" liberals and not confrontation with them. As a result they are now the representatives not of alternative but mutually complementary currents.

#### Differences Real and Imaginary

Upon assuming office the conservatives set about freeing the mechanism of government regulation from the least expedient, from their viewpoint, programs fettering market forces. Attempts at reforms were carried out in two directions: along the lines of the increased efficiency of federal regulatory programs and also by way of the abolition of regulatory restrictions.

A special group headed by Vice President G. Bush was organized to ascertain "burdensome" programs. In accordance with its recommendation, 119 programs were analyzed. However, only several dozen were really cut, and the savings were scant. Hereupon the group completed its work. T. Moore, a leading expert in the system of state-monopoly regulation, declared in this connection that it was simpler for the administration to proclaim victory than break down the resistance of the groups concerned. Even the negligible deregulation proposed by the President affected too large a number of his supporters (6).

The conflict of the policy of deregulation with the interests of broad strata of the electorate supporting the preservation of programs in certain spheres held back administration activity in this field. Among the most wide-ranging initiatives, it was possible to carry through only deregulation of crude oil prices and supplies developed back in the times of the J. Carter presidency.

The Republicans eased antitrust legislation somewhat, which contributed to a surge in the wave of mergers and takeovers.

The plans to cut social spending ran into serious opposition in Congress also. The outlines of the proposed cuts had had to be amended appreciably by the end of the administration's first term in office.

The Reagan administration is adopting a highly guarded attitude toward government support for R&D, believing this to be mainly the concern of private business.

Despite the convincing victory at the 1984 elections, the Republicans came up against the difficult situation of a sharp decline in the growth rate in 1985-1986. Simultaneously changes in the approach of the Democrats also to the

question of measures to stimulate economic growth could be traced increasingly perceptibly. Signs of a rapprochement in the approaches of the main forces of the United States' leading political parties on this question appeared. Approving the plan of tax reform put forward by the Republicans, the Democrats essentially abandoned the concept of the need to preserve a progressive tax rate scale which had been predominant in the party. The Republicans, on the other hand, supporting the plan for the cancellation of a number of tax allowances, reconciled themselves in fact to a certain increase in tax receipts.

The consensus between the two parties did not take shape easily. But the alignment of political forces was such that in putting forward the plan for tax reform the Republican administration and the faction in Congress endeavored to gain the support of the Democrats, without which the bill might have failed. At the same time, however, its basic provisions corresponded partially both to conservative tenets and the "retouched" reference points of neoliberal ideas.

The most acute struggle developed in connection with the problem of the budget deficit. The intensity of the investment process depends on the degree of balance of income and expenditure. The high level of the deficit contributes to a growth of taxes and the loan interest rate, leads to a reduction in the population's real income and slows the growth of the economy. Strategic efforts geared to the encouragement of the development of the economy and the need for social spending to ease tension run into an overloaded expenditure side. In the 1970's the deficit was on seven occasions in excess of \$40 billion, and as of the start of the 1980's it has not fallen below \$200 billion. The problem has assumed menacing proportions.

The prerequisites were created against this background for the formulation by the Republican Party and the moderate conservative wing of the Democrats of a program of joint action. Measures to reduce the budget deficit were specifically embodied in the Gramm-Rudman-Hollings Act, which was passed by both houses and approved by President R. Reagan at the end of 1985.

The task of a balanced budget by 1991 was set. Annual "ceilings" of the excess of expenditure over income were outlined. A reduction in the deficit to \$144 billion in the 1987 fiscal year and subsequently an annual reduction of \$36 billion up to the restoration of balance are contemplated. Reduced government spending was considered the main means of realizing these aims. This affected primarily the payment of pensions and benefits, annual cost of living increases, programs in the sphere of agriculture, education and science, unemployment compensation and some others.

However, the compromise was very shaky. It did not suit the ruling party. On the one hand the possibility of transition to the implementation of strategic plans of stimulating the economy appeared, but, on the other, the "automatism" of the reductions in expenditure narrowed the base of the financing of military programs. In addition, the procedures envisaged in the act lessened appreciably the possibilities of political maneuvering. Following a debate, the Supreme Court deemed a number of provisions of the act unconstitutional

on the pretext that the "automatism" of the expenditure cuts allegedly infringed the rights of Congress.

An alternative procedure--Gramm-Rudman-Hollings II--was formulated. According to the new proposals, every new bill examined in Congress must be accompanied by a suggestion of measures to reduce the deficit--cutting other items or raising certain taxes. This plan, which was put forward by moderate-conservative circles, gained the support of the "new generation" of Democrats also. It is believed that there are practically all the prerequisites in the United States for implementation of this plan--compromise between Democrats and Republicans.

The R. Reagan administration has succeeded the most consistently, albeit with many retreats from its original goals, in beginning implementation as of the start of 1987 of the tax reform. However, it should be considered that in subsequent specific steps and the inevitable adjustments with reference to unfolding business conditions the conservatives will in all likelihood move from extreme positions toward the more moderate "center". After all, the growing deficit, the decelerated economic growth rate and the tremendous national debt and foreign debt, with which the conservatives' "cowboy" raids are not coping, will compel them to act more cautiously. The line of thought in the Democratic camp is developing in a similar pattern.

The perennial, seemingly implacable and very fundamental dispute between the two parties once every 4 years reaches its apogee when presidential elections are held. A set of election promises is invariably dragged before the electorate. It is not easy making out the positions of the contenders for the White House. In verbal rhetoric and opportunist features the future leaders of the leading country of the capitalist world sometimes bury an original idea and abandon principles with the same ease with which they acquire new ones. The battle is essentially for identical categories of the electorate: an alleviation of economic problems under capitalist conditions is theoretically possible with the aid of a limited set of means, and for this reason, however the platforms of the Democrats and Republicans may differ in words, their specific embodiment frequently proves similar.

In evaluating, for example, the economic concepts of the American neoliberalism of the 1980's it may be emphasized that they occupy an intermediate position between the views of traditional liberalism and conservatism. The expansion of the political influence of the "new generation" in the Democratic Party and the spread of neoliberal ideas have caused a transformation of the platform and brought it closer to economic realism.

Under the conditions of the certain increased consolidation of the Democrats and the shift of the party's political center to the right the main task confronting the neoliberals has been, however paradoxical, the promotion of alternative economic concepts not so much to the traditional views of liberalism as of rightwing conservatism. At the same time, however, the proximity of the approaches of the neoliberals and the Republicans in securing economic growth, recognition in this form or the other of the regulatory role of the state, transition from the regulation of production through influencing demand to its direct stimulation, attitude toward the growth of subsidies and

handouts to individual sectors and branches of the economy and so forth are contrary to the task confronting the Democratic Party of formulating an alternative to "Reaganomics". Conservative critics of the views of the "new generation" of Democrats have not unsuccessfully managed to portray them as "watered down" or "secondary" Reaganism.

The neoliberals, who earlier acknowledged that their concepts amounted to a "humane Reaganism," have since the mid-1980's had to draw a line more distinctly between these concepts and conservatism. Nonetheless, the general shift to the right and the increased influence of the right wing are making this task increasingly difficult. Specifically, the certain rapprochement of neoliberalism and moderate conservatives has eroded appreciably the differences in the two parties' positions on questions of economic growth.

A statement of the prominent theorist L. Thurow concerning the methods of struggle against economic problems is typical in this connection. It is not difficult on the basis thereof to draw a conclusion concerning both about the value of election promises and the true positions of the rival bourgeois parties. He observes in a book with the catchy title "The Zero-Sum Society": "...Any list of problems is soluble in principle. We by no means face a world of insoluble problems. But despite the fact that particular solutions are adopted for each specific instance, they have common basic features. Each time it is necessary for some large group of people--sometimes a minority, sometimes a majority--to voluntarily consent to a reduction in their real living standard. After the plus-minus balance is summed up, a positive result usually prevails, but there are at times big economic losses also. They need to be compensated at someone's expense, but no social group wishes to make sacrifices in the name of the common good" (7). One could argue indefinitely about who incurs losses and which group's interests and to what extent are "infringed". There is just one thing of which there is no doubt--the loser in the "zero-sum society" is always the working majority, and it is at its expense that all the problems of both an economic and political nature are solved.

#### FOOTNOTES

1. See BUSINESS WEEK, 1 September 1986, p 42.
2. See "To Promote Prosperity," ed. J.H. Moor, Stanford (Calif.), 1984, p 187.
3. R. Rothenberg, "The Neoliberals," New York, 1984, p 16.
4. See FORTUNE, 29 September 1986, p 58.
5. R. Rothenberg, Op. cit., p 74.

6. See "To Promote Prosperity," pp 242, 244.

7. L.C. Thurow, "The Zero-Sum Society," New York, 1980, p 10.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1987

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#### READER'S QUESTION ON NFZ IN SOUTHEAST ASIA ADDRESSED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 118-121

[Article by E. Grebenshchikov: "A Nuclear-Free Zone in Southeast Asia"]

[Text] Journal reader Yu. Smirnov (Kirov) asks that we take up the problem of the creation of a nuclear-free zone in Southeast Asia.

In the wake of other regions of the world, the surge of the antinuclear and, to take it further, antiwar movement can be observed in Southeast Asia also. At their Manila conference (June 1986) the foreign ministers of ASEAN countries advocated the conversion of the territory of their states into a nuclear-free zone, pointing to the importance of this for "ASEAN's political future". This subject is being discussed intensively by the mass media and has had big repercussions in broad public circles. In addition, it has a history also.

Back in 1971 at a meeting of the foreign ministers of the countries incorporated in the association held in Kuala Lumpur a declaration on the proclamation of Southeast Asia a zone of peace, freedom and neutrality (English abbreviation--ZOPFAN) was approved. The document contained such generally recognized principles of international law as respect for sovereignty and territorial integrity, renunciation of the threat or use of force, the peaceful solution of international disputes, equality and noninterference in the internal affairs of other states (1).

The "nuclear factor" did not figure openly and directly in the Kuala Lumpur declaration. However, in 1972 even the committee of high-ranking representatives of ASEAN countries specially formed for a detailed study of the principles and conditions of the creation of the ZOPFAN recommended that the participating states not permit the use, storage, production and testing of nuclear weapons within the confines of the said zone. It was noted also that the accommodation of foreign military bases on the territory of the zone was incompatible with the concept of neutralization, the more so in that nuclear warheads could be stored at these bases, without the knowledge of the local authorities, what is more.



This formulation of the question did meet with enthusiasm, to put it mildly, in influential political circles of Thailand and the Philippines, which placed above all else the preservation of close military-political relations with the United States. Giving way merely to the pressure of public opinion, they supported, more precisely, declared their support for the concept of neutralization of the region.

There is therefore nothing surprising in the fact that in subsequent years ASEAN displayed a passive approach in the plane of practical implementation of the ZOPFAN concept. And its antinuclear aspect was barely visible (2). The nuclear problem was interpreted as something wholly and fully within the province of the so-called superpowers or as something deriving from the foreign military presence in Southeast Asia.

However, under the impact of the large-scale changes which have occurred in the region the situation gradually changed. The armed intervention of American imperialism in Vietnam ended in failure, and Indochina, in the shape of three states, formed an outpost of peace in this part of the world. On the other hand, the growing aggressiveness of U.S. ruling circles on the international scene led to Washington's policy beginning to appear too dangerous and unpredictable to many of its partners. The trend toward movement away from the nuclear strategy of the United States and some of its allies intensified. This trend was manifested particularly objectively in a region neighboring Southeast Asia. The island states and territories of the South Pacific vigorously opposed the nuclear tests which had been carried out here and in August 1984 resolved to draw up a treaty proclaiming it a nuclear-free zone. Expressing the will of the electorate, the New Zealand Labor government refused American ships carrying nuclear weapons right of entry to local ports.

Such sentiments began gradually to take hold of the nonsocialist part of Southeast Asia also. The stern realities of the nuclear-space age and disquieting features in the development of the military-political situation in the Asia-Pacific region brought responsible politicians to the conclusion that consistent implementation of the ASEAN ideals and principles embodied, in particular, in the ZOPFAN concept presupposes, more, makes obligatory efforts to make Southeast Asia a nuclear-free zone. This idea had by the mid-1980's finally acquired citizenship and become a firm part of political life.

The idea of declaration of the region a zone free of nuclear weapons was supported in September 1984 at a meeting of the association's standing committee in Kuala Lumpur (3). Seminars were held in 1985 in Jakarta and Kuala Lumpur devoted to study of this problem, and the initiator of the first was, furthermore, the Indonesian Foreign Ministry.

However, disagreements among the partners in the grouping came to light once again. The Malaysian Government advocated the speediest practical realization of the idea, without waiting for the complete elimination of tension in the region. The Indonesian position was close to that of Malaysia. In the opinion of (Yu. Vanandi), a leader of the Indonesian International and Strategic Studies Center, which has the reputation of a government "think tank," the ZOPFAN concept implies not only the prevention of the domination and interference of any great power in Southeast Asia but also its assured

nuclear-free status (4). Many members of parliament of the country, the most influential included, also energetically insisted on this.

There is a different view of the problem in Singapore and Thailand. Their leaders persistently refer to the unsolved nature of the "Cambodia question" as an "obstacle" to the proclamation of a nuclear-free zone and speak of the "risk" of the concept since its realization would allegedly produce one-sided advantages for the USSR to the detriment of the United States. Singapore is guided here, evidently, by purely commercial considerations also. Ships of the U.S. 7th Fleet regularly call at the local port. Servicing them produces much income.

Despite the differences which came to light, in June 1986, as already mentioned, the ASEAN foreign ministers confirmed their adherence to the conversion of Southeast Asia into a nuclear-free zone. Primarily the antinuclear sentiments of broad public circles, which had undoubtedly been stimulated by the signing of the treaty on a nuclear-free zone in the South Pacific (the Rarotonga Treaty) (5), were sensed behind this step. M. Kusumaatmaja, head of Indonesia's foreign policy department, has declared repeatedly that the treaty corresponds to the ideas of ASEAN and could serve as a model for Southeast Asia (6). He observed, however, that the foreign military bases located here were preventing the creation of a nuclear-free zone (7).

Although the countries of the association seemingly reached mutual understanding in principle in connection with the need for progress toward the region's nuclear-free status and experts were instructed to elaborate the specific provisions of the corresponding treaty, this did not signify removal of the disagreements.

Singaporean Foreign Minister S. Dhanabalan expressed himself thus, for example: "If New Zealand's approach on the question of a nuclear-free zone spreads, this will be a real threat to all of us." At the same time, however, Indonesia and Malaysia, to judge by everything, support Wellington's policy. Such sentiments were reflected by Kuala Lumpur's NEW STRAITS TIMES, which is highly influential and close to Foreign Ministry circles. "New Zealand," the newspaper wrote, "displayed boldness in telling the world that it wishes to have nothing to do with nuclear weapons."

A unique situation has taken shape in the Philippines, where the very large U.S. bases of Subic Bay and Clark Field are located. Here the struggle against the nuclear threat is merging with demonstrations for the removal of the American military presence in the archipelago and the pursuit of an independent policy in the world arena. "The antinuclear mood," R. Simbulan, professor at the Philippines State University, declared, "is one of the strongest features of the protest movement against preservation of the bases." During the visit to the Philippines in March 1986 of D. Lange, head of the New Zealand Government, the influential social organization Corazon Aquino People's Power appealed to the country's leadership to "join with New Zealand's antinuclear policy". The statement of Deputy Foreign Minister L. Shahani concerning the government's intention of "reconsidering policy on the question of the storage of nuclear weapons at the U.S. bases and the presence

in the region of ships carrying nuclear weapons" elicited extensive comment also.

Growing militancy is being demonstrated in the Philippines by the Coalition Against the U.S. Bases and the Coalition to Make the Philippines a Nuclear-Free Zone. The first was formed in 1983 and has since this time been struggling against the nuclear threat also, the second emerged later. Approximately 15 provinces and cities of the country have been proclaimed, in accordance with the will of the population, by the local authorities nuclear-free zones. Activists of this movement have established permanent contacts with antinuclear organizations of Japan, Australia, New Zealand and Great Britain.

None other than A. Tolentino, who was foreign minister of the Philippines under F. Marcos and who can in no way be called an anti-American figure who has succumbed to the influence of "red propaganda," said in 1984 that "the Pentagon's bases furnished with offensive weapons create a threat to the Philippine people's national interests and, in the event of a crisis situation arising, they will increase the danger of the country being involved in a nuclear conflict."

Such warnings are being heard increasingly often. N. Reyes, who heads the Philippine International Relations Council, believes that the country would be the "first target of a strike given any nuclear exchange in the Asia-Pacific region" and that this would threaten its disappearance. There are, N. Reyes says, "other reasons also for a suspension of the agreement on the leasing to the United States of bases on Philippine territory, but the one adduced above eclipses all the rest" (8).

In the course of compilation of the draft constitution of the Philippines (it was approved at a referendum at the start of 1987) it was proposed incorporating in its preamble a clause on proclamation of the country a nuclear-free territory. Following discussion of this question, the members of the government commission incorporated in the draft constitution a provision proclaiming that the Philippines, "in accordance with national interests, pursues a policy of the renunciation of nuclear weapons on its territory". Of the 47 members of the commission, 26 voted for this clause, but 21 abstained, deeming necessary a complete and unambiguous ban on the deployment of weapons of mass annihilation on Philippine soil together with the removal of foreign bases.

Washington's reaction was not slow in coming. Republican Sen R. Dole termed this amendment "ominous," undermining--no more, no less--America's policy of "nuclear deterrence" in the Pacific. The Reagan administration spokesman also hastened to warn the Filipinos that they were "making a mistake of the worst kind," which, if not rectified in good time, would cost them at least \$200 million (the U.S. Congress was at that time studying the question of granting the Philippines financial assistance in precisely this amount). Washington is demanding "firm assurances" of the continued U.S. military presence in the archipelago and free access to the corresponding facilities for warships and aircraft--possible carriers of nuclear weapons.

At the start of February 1987 the State Department spokesman, giving the reason for the United States' refusal to sign the protocols to the Rarotonga Treaty, asserted that "the growing number of proposals concerning regional nuclear-free zones could potentially undermine the policy of deterrence."

The socialist states of Asia have a diametrically opposite approach to this problem. The aspirations of sober-minded circles of the countries of the "six" are shared in the Indochina states. A communique of the 12th conference of foreign ministers of Vietnam, Laos and Cambodia (January 1986) spoke of the need "to conclude an agreement on the creation of a zone of peace and stability in Southeast Asia, in which states with different social systems may coexist peacefully on the basis of the principles mentioned in the declarations adopted in Bandung in 1955 and Kuala Lumpur in 1971 and on Bali in 1976 and in the 1981 declaration of the three Indochina countries."

Tian Jiyun, vice premier of the PRC State Council, declared during his visit to Malaysia in October 1986 that China supports the idea of the creation of a nuclear-free zone in Southeast Asia, considering it a logical development of ASEAN's proposal concerning a zone of peace, freedom and neutrality in this area.

The Soviet Union supports the establishment of nuclear-free zones in various parts of the world. This consistent policy of the USSR is enjoying growing recognition in the ASEAN countries. The unilateral Soviet moratorium on nuclear explosions was welcomed here. Speaking at the end of 1986 at a seminar in the 17 August 1945 Jakarta University, R. Abdulgani, the Indonesian president's political adviser, criticized the United States' negative attitude toward the proclamation of a nuclear-free zone in the South Pacific and similar plans in Southeast Asia. He noted the positive and constructive position of the Soviet Union, which was the first of the nuclear powers to sign the protocols to the Rarotonga Treaty. This was then done by the PRC.

Questions of consolidating security--both general and regional--were at the center of attention of the negotiations held in the course of the tour of Pacific countries (March 1987) by E.A. Shevardnadze, member of the CPSU Central Committee Politburo and USSR foreign minister. Speaking in Jakarta, the Soviet guest declared support for Indonesia's efforts "in the regional dialogue, the purpose of which is making Southeast Asia a nuclear-free zone," expressing here the hope that "this will meet with such support among the other nuclear powers also." In a joint Soviet-Indonesian statement the sides welcomed the establishment in the South Pacific of a zone free of nuclear weapons and advocated an immediate halt to all tests of nuclear weapons and the speediest conclusion of a multilateral treaty on the complete prohibition thereof.

A draft document proclaiming Southeast Asia a nuclear-free zone, which, it is expected, could be approved at the anniversary (the association will be 20 years old) meeting of representatives of the countries of the "six" at the end of June 1987, is being drawn up at the present time.

The struggle for a nuclear-free zone in Southeast Asia, as, equally, in other parts of the world--not only for the proclamation but also practical

realization of the idea--is a most important component of the efforts to ensure mankind's peaceful future.

#### FOOTNOTES

1. See "10 Years ASEAN," Jakarta, 1978, pp 240-242.
2. See N. Sovie, "The Neutralisation of Southeast Asia" ("Asia and the Western Pacific," ed. H. Bull, Melbourne, 1975, pp 132-160).
3. The standing committee, which operates in the period between annual foreign minister conferences, is made up, besides the chairman--foreign minister of the host country--of the ambassadors of the other five states.
4. INDONESIAN QUARTERLY No 1, 1986, p 28.
5. See MEMO No 12, 1985, pp 99-105.
6. INTERNATIONAL HERALD TRIBUNE, 25 June 1986.
7. JAPAN TIMES, 10 August 1985.
8. FAR EASTERN ECONOMIC REVIEW, 2 October 1986, p 15.

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REVIEW OF BOOK ON NECESSITY FOR CURBING ARMS RACE, AVOIDING WAR

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 122-123

[Ernst Genri review: "Peace Has To Be Fought For"]

[Text] This interesting book\* raises a number of urgent questions and provides specific answers to them. The breadth of its subject matter enables the reviewer to dwell only on the principal present-day problem of those which it discusses.

Reflecting on the arms race, the author writes: "Can the progress of this monstrous machine be slowed down?" (p 3). And near to the end of his work he emphasizes: "In international relations, as in life, there are no hopeless situations. So-called political impasses are essentially largely merely evidence of the incapacity of politicians preferring a head-on confrontation to the flexible maneuver. It is necessary only to look well for outlets, and not in crises, conflicts and wars but in prudent decisions based on a will to peace and mutual understanding where there are even the slightest opportunities for this, and the outlets from the most 'hopeless' situations will then be found" (p 262).

Specifically, with reference to official Soviet statements, D. Proektor proposes a program of an intelligent approach to the solution of acute international issues. Given this balanced approach, "the competition and confrontation of the two systems are combined with the increasingly acute need for the joint solution of problems which are of a general nature. The differences between the two social systems not only do not deny but in the new era presuppose more forcefully interaction between them." It is a question of constructive, creative interaction on the scale of the entire planet (p 249).

The book adduces a long list of practical political steps leading to this fruitful interaction of the two systems. Given their implementation, the kindling and stimulation of crises would be, the author believes, impermissible, and it is essential to formulate measures to avert crises. Irreconcilability and lack of compromise, threats and ultimatums are impermissible.

As a result of political negotiations, a consistent lowering of the levels of the military confrontation. The ABM Treaty, which is without a time limit. Renunciation of the power approach to international security. A halt to the spread of the arms race to (as one author has put it) "the last nook and cranny of the solar system". A halt to attempts to achieve one-sided military superiority. Abandonment forever of the old idea: more weapons, stronger security. Agreement on a reasonable sufficiency of armed forces and arms far lower than that which exists in our time. Political leadership of disarmament negotiations. A secure and just world for all peoples. Thus, the author believes (with a number of abridgments made by the reviewer) might an end to the arms race and genuine international security be achieved. He is perfectly right.

All that is suggested in the book is necessary and exceptionally important and, given good will, feasible, in any event, is by no means fantasy. D. Proektor is by no means a dreamer and least of all a political romantic. But we also have to remember those for whom international security is by no means goal No 1. Is that to which transatlantic imperialism aspires really lasting peace and not, rather, the world hegemony of the United States? And have not the obstacles in the way of agreements, agreements such as have already been proposed by the Soviet Union, been erected for years precisely by Washington?

And its allies, the FRG, for example?

As is known, West German big capital plays an exceptionally influential part in the economy of West Europe; the Bundeswehr is constantly, albeit secretly, strengthening its positions in NATO headquarters; the Christian Democratic Party, which has together with the Christian Social Union over 900,000 members, has once again been victorious at the Bundestag elections. The influence of these three Leviathans is not to be underestimated. Their purpose is, in alliance with the United States, to once again be the dominating force in West Europe.

The fact of the most acute hostility of rightwing, militarist forces in both the United States and West Europe to the plans for peaceful coexistence can hardly be disputed. In recent years, the book observes, the voices of the supporters of a "strong arm," conservative, militarist circles, those who from the very outset did not accept detente and the policy of cooperation with the socialist countries, have come to be heard particularly loudly across the Atlantic. They have urged and continue to urge today a return to a policy of global military superiority.

This does not mean, of course, that the Soviet Union will walk away from its proposals concerning a reduction in and subsequently the elimination of the arms race. On the contrary, as the book emphasizes, the USSR is continuing its peace policy with redoubled perseverance.

The author names a number of influential bourgeois politicians in America such as R. McNamara, P. Warnke and G. Kennan who in the summer of 1986 publicly advocated a fundamental reconsideration of the United States' military policy and a renunciation of the doctrine of a first nuclear strike.

Nor should it be thought that the peoples of the capitalist world remain deaf to the Soviet disarmament proposals. Such a great power as India with its 740 million-strong population has already perfectly clearly confirmed its agreement with the USSR at the time of M.S. Gorbachev's visit to this country in November 1986. It is not Reagan, Weinberger or Kohl who will ultimately decide such vitally important questions of the present day. It is not the military-industrial complexes but the peace supporters who will lead mankind safely into the 21st century. The other way means global suicide.

In all the millennia of its past the world has never before encountered problems of such giant scale and such complexity. It is no accident that capitalist society has in our time been in the grip of such acute anxiety and that its most reactionary wing is even suggesting that people rush with their eyes closed into monstrous adventures. And it is no accident that it is socialism which is opening to mankind at the present dramatic moment in its history the door leading to the future. D. Proektor's book describes this in detail.

Concluding it, the author writes: "We end our deliberations with the profound belief that people, the creators of their future themselves, hold it in their hands. We believe that the last world war in the history of mankind ended in 1945. And that the fate of mankind consists of the increasingly great mutual understanding and rapprochement of all peoples and the greatest creativity and creation. We believe in the power of human intelligence" (p 315).

It remains for the reviewer to add one thing: it is essential not only to believe in the ideals of peaceful coexistence but also to fight, fight actively for their implementation.

#### FOOTNOTE

- \* D.M. Proektor, "Mirovyie voyny i sudby chelovechestva. Razmyshleniya" [World Wars and Man's Destiny. Reflections], Moscow, "Mysl", 1986, pp 318.

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REVIEW OF VELIKHOV, SAGDEYEV BOOK ON SPACE WEAPONS

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 123-126

[B. Surikov review: "Space Rubicon"]

[Text] The top-level Soviet-American negotiations in the Icelandic capital revealed two opposite approaches to world politics in terms of such vitally important problems for the entire international community as the banning of the testing and the elimination of nuclear weapons and also the banning of strike space-based arms. The American "star wars" plans are pushing mankind to the brink of nuclear catastrophe and complicating and poisoning the atmosphere in the world.

The United States simply does not wish to understand that the qualitative changes which the nuclear age has wrought do not permit the transfer into the future of the patterns of the past. The history of wars has accustomed us to the idea that the level of security of this country or the other depends to a considerable extent on the quantity and quality of arms which it possesses. At the present time the dependence between military potential proper and security proper is different. Now unilateral security, like security assured by a military-technological "miracle," is in practice untenable. The nuclear age demands a new approach to old and new problems of the security of the international community.

Since Reykjavik the present U.S. Administration, which is closely linked to the military-industrial complex, has been endeavoring to deceive the public and conceal from it the historic essence of the Soviet Union's proposals concerning the stage-by-stage elimination of nuclear weapons before the end of the current century and is attempting to defend the SDI in every possible way. The book in question,\* which was prepared by the Committee of Soviet Scientists in Defense of Peace and Against the Nuclear Threat, is devoted to an analysis of the S&T, military-strategic and international-political aspects of this program. The authors justifiably assert that, in the event of its deployment, a broad-based ABM system would be an extremely dangerous multifunction strategic offensive and defensive system capable of destroying spacecraft with "space-to-space" weapons, wiping out particularly important administrative-industrial and military targets with "space-to-earth" weapons and also destroying with the aid of space-based, ground-to-space and ground-

based weapons the strategic missiles and their warheads which had survived a first strike and which the enemy would use in a retaliatory strike.

Analyzing the technical possibilities and limitations inherent in a broad-based ABM defense, the experts show convincingly the complexity of destroying ICBM's. One reason is that the number of warheads and decoys could exceed many times over the number of missiles launched. The typical makeup of an ICBM includes up to 10 independently targeted warheads and a multitude of decoys, which completely simulate warheads beyond the atmosphere. When repelling by an ABM system a group and, even more, a massive retaliatory nuclear strike under conditions of the oversaturation of its information facilities by a multitude of decoys, it would be extremely difficult to guarantee the high efficiency of ABM defenses.

The book rightly observes that it would be possible, for example, to use as the simplest decoys inflatable thin-walled balloons of metal-coated film, and the warheads themselves, moreover, could be accommodated in them (p 21). Given such a massive use of decoys, the ABM system would be confronted with a very difficult problem: wiping out all ballistic targets indiscriminately or making a prior selection of them and distinguishing the actual warheads beyond the atmosphere concealed by decoys. Both tasks would be extremely difficult. For this reason the effectiveness of the transatmospheric intercept of ICBM and MRBM under the conditions of the use of methods of simulation and decoy discrimination would be negligible. The combat potential of ABM weapons when destroying warheads in the atmosphere (at an altitude below 100 km) may also be reduced by the opposite side by way of the programmed detonation of nuclear warheads, which would complicate the functioning of the ABM radar and the guidance of the interceptors.

The monograph studies in detail the combat possibilities and prospects of the use for ABM purposes of various types of laser weapons. A split-chain reaction between fluorine and hydrogen serves as the source of the energy of a hydrogen fluoride chemical laser, whose development in the United States is currently the most advanced (p 31). A continuous chemical laser is achieved by way of the rapid injection of the working gas mixture via a resonator. In the current experimental installations the gas mixture is injected at supersonic speed. This installation is similar to an operating jet engine, which is a source of powerful vibrations, which is absolutely impermissible for space-based weapons. And, further. Hydrogen fluoride chemical lasers with a power of several megawatts are being developed in the United States currently, but a power several orders of magnitude higher would be necessary for ABM battle stations. Solving this problem would require the use of a set of units operating in parallel and thereby sharply increasing the size of the stations, which would render the prospects of use of the chemical laser in space-based systems highly doubtful.

Recently the United States has been promoting work on the creation of powerful excimer lasers, "in which unstable states of the chemical compounds of inert gases are the active agent" (p 35). Pulse reactions are initiated from external sources by way of an electrical charge in a gas agent. A special power system for excitation is not necessary for chemical lasers, but for excimer lasers with their low output this problem becomes paramount: it will

be essential to provide on the space-based battle station for a capacity of several hundred gigawatts, which, owing to weight and size limitations, is impracticable in the foreseeable period. For this reason the supporters of the SDI are orienting themselves toward a ground-space-based ABM system. It is contemplated with the beams of excimer lasers deployed on Earth destroying the enemy's missiles "with the use of a system of space-based mirrors, part of which could be positioned in geostationary orbit even" (p 37).

The book examines in greater depth and more thoroughly than foreign publications the nuclear-pumped X-ray laser, the experimental work on which was the direct reason for R. Reagan's advancement of the "strategic defense initiative" in March 1983. As shown, to destroy a solitary missile at a distance of 2,000 km it is necessary to employ in such a device a nuclear charge of no less than 50 kilotons and 10 to the power 5 metal rods evenly distributed around the element (p 43). The group detonation of such devices in near-Earth space would lead to the disruption of the functioning of ground- and space-based radar, which would severely reduce the efficiency of the ABM systems.

Research is being performed in two American science centers--Los Alamos and Livermore--on the creation of free-electron lasers based on linear high-current induction accelerators. The efficiency of modern lasers of this type constitutes only several percent, their power output is negligible and their physical dimensions are great. Whence, as the authors rightly conclude, the limited possibilities of the use of such weapons in ABM defenses and the highly remote prospect of their appearance in a ground-to-space version with the deployment in space of a complex system of mirrors.

The book comprehensively examines other types of weapons also--beam, kinetic, EMP. As the Soviet scientists rightly emphasize, all these weapons presupposed by the SDI program could only in the distant future meet the demands of a hypothetical U.S. ABM defense with space-based components. A comprehensive solution of this supercomplex technological and strategic task is as yet highly problematical. The main delusion of the SDI supporters is that negligible successes in the development of certain components are being equated with the possibility of the creation of an efficient ABM operational system.

The parameters of the potential weapons for destroying ballistic missiles which in the distant future might be used on ABM operational platforms leave no doubt that their mass would constitute many tens and hundreds even of tons. The leadership of the SDI program puts the trouble-free operating life of a space station at roughly 10 years (p 66). There is practically no experience in the United States of the creation of systems of such great dependability. The monograph observers that this problem is technically impracticable in the foreseeable period. Its complexity amounts primarily to the need to cater for the effective elimination of the surplus heat arising during operation of the battle station. Current methods of heat extraction, given large dimensions, are insufficiently reliable. There are other technological problems also without whose solution realizing a highly efficient territorial ABM system is impossible.

At the same time the book calls attention to the fact that, in the event of ABM battle stations being put in space, an aggressor might be tempted to deploy thereon missiles carrying nuclear weapons for the destruction of vitally important enemy targets. Consequently, the United States' deployment of a broad-based ABM system with space-based components would undoubtedly create a fundamentally new strategic situation. The Pentagon's multifunction common "C-cube-I" battle management system and a multitude of operational platforms in circumterrestrial orbit equipped with various long-range weapons would make highly attractive the idea of a "disarming" strike from space. The deployment of an operational system allegedly designed only for intercepting ballistic missiles could bring about a new twist of the nuclear arms race spiral not only on Earth but also in outer space, whither part of the nuclear power of the contending sides could be transferred.

The monograph comprehensively examines an extensive list of technologically practicable measures and means of countering attack space-based weapons. They could include both the creation of special weapons for destroying various components of a broad-based ABM system and an increase in and upgrading of strategic offensive arms (p 118). The analysis of these measures and countering weapons made by the Soviet scientists is a convincing illustration of M.S. Gorbachev's statement (8 August 1986) that the USSR would, if necessary, find an answer to the SDI, and it would not be, furthermore, what the United States expected: it would be an answer which would devalue the "star wars" program.

The monograph in question extends our notion of the great and fruitful activity being exercised by Soviet scientists in the defense of peace, to limit the arms race and prevent a nuclear catastrophe.

In conclusion we would express to the authors certain wishes in the event of the book being reprinted. It would seem advisable to supplement Chapter 4 ("Use of Weapons of a Space-Based Echelon for Strikes Against Air and Ground Targets") with a more detailed survey of the potential of this echelon of U.S. ABM defense for launching surprise attacks on enemy spacecraft with "space-to-space"-type weapons and also wiping out particularly important ground, sea and air targets with "space-to-earth"-type weapons. Questions pertaining to the third-generation nuclear weapons (microwave gamma-lasers, nuclear devices generating a powerful stream of high-energy particles, kinetic energy weapons) which are being built in the United States and tested at the Nevada firing range should also be examined more fully. Finally, it would be useful to dwell in more detail on questions of the functioning of the ABM operational platform support subsystems.

The said observations do not detract in the least from the scientific and political significance of the book, which shows convincingly the disastrous nature of the SDI for the cause of peace and international security.

# FOOTNOTE

- \* "Kosmicheskoye oruzhiye: dilemma bezopasnosti" [Space Weapons: Dilemma of Security]. Edited by Ye.P. Velikhov, vice president of the USSR Academy of Sciences, R.Z. Sagdeyev, member of the USSR Academy of Sciences, and Prof A.A. Kokoshin, doctor of historical sciences, Moscow, "Mir", 1986, pp 182.

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## REVIEW OF BOOK ON CAPITALIST CURRENCY, CREDIT CRISIS

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 131-132

[I. Sysoyev review: "Comprehensive Study"]

[Text] The currency-finance sphere of contemporary capitalism has more than any other in the past 20 years concentrated its contradictions. The crises of the leading Western currencies reflect the national level of exacerbation of these antagonisms, and the collapse of the currency-finance system, the increased contradictions between the main centers of imperialist rivalry. The said sphere catches in one way or another the results of inflation, budget deficits and national debts, cyclical and structural changes and the restructuring of state-monopoly regulation of the economy.

Particular significance is attached to currency-finance questions under the conditions of the internationalization of capitalist production, when currency becomes the representative of monetary capital and participates directly in industrial turnover. Here it ceases to be a component of "derived, variable, nonprimary production relations" (1). For this reason study of transnational capital, which has gathered momentum rapidly and is monopolizing whole sectors of production both on the scale of individual countries and the world economy as a whole, is impossible without a new view of the role and significance of currency relations.

Finally, the restructuring of our country's foreign economic relations is advancing the task of new currency-finance thinking, different approaches to an evaluation of the trends of the development of international currency-finance relations, the state of the currency marketplace and the prospects of its development and comprehension of the directions of the evolution of interstate regulation of this sphere, including the significance of its basic institutional forms.

The times demand a comprehensive study of currency-finance relations and generalizations at the level and from the standpoints of the 1980's. Such work has been performed by the author of the monograph in question,\* who has made not only a thorough analysis but also forecast evaluations of the main elements of the currency-finance system of capitalism for the immediate and distant future. Further, the range of the theoretical problems examined by I.

Korolev calls attention to itself: structural changes in international payments turnover, operation of the law of value in the currency sphere, the evolution of world money, the essence of the currency crisis, the role of this sphere in contemporary capitalist reproduction, international aspects of inflation and a number of others. The book's scientific substantiation is combined with solid factual material, which has been strictly selected and objectively analyzed.

To the author's theoretical "assets" we should attribute his conclusion that "at the present time the overwhelming portion (no less than nine-tenths) of international payments turnover is composed of financial flows connected with purely financial transactions and the transfers from country to country of various forms of loan capital, and only one-tenth, of international foreign trade and service exchange settlements proper" (pp 49-50). From this conclusion ensues another proposition advanced by the scholar. Its essence is that the currency exchange rate has ceased to reflect predominantly the relationship of currencies' purchasing power and is to an increasingly great extent a function of the correlation of interest rates, that is, of the "prices" of loan capital (pp 22-23). These two propositions pose anew the task of the organization of forecast work in the sphere of balances of payments and currency exchange rates.

The interpretation of the instability of capitalism's currency sphere in the 1970's as the result of the "structural noncorrespondence of the currency mechanism to the demands of international economic exchange and the conditions of capitalist reproduction as a whole" (pp 39-40) would seem highly productive. An analysis from these standpoints of the system which has taken shape since the Jamaica meeting affords the author the right to the conclusion that "the 'rules of the game' in the sphere of currency relations which had evolved by the mid-1980's can hardly be spoken of as a stabilized currency system" (p 46).

A contribution to the contemporary theory and practice of international credit is the concept of the world credit crisis as being directly connected with the structural crisis of capitalism (p 111). I. Korolev rightly believes that this crisis goes beyond the bounds of the developing countries' debt problems and links it with changes in the structure of supply and demand on the national and international loan capital markets (ibid.) brought about by the varying dynamics of the development of sectors of the capitalist economy under the conditions of the S&T revolution (p 112).

The book makes a retrospective analysis of the problem of the use as world money of the dollar. Theoretical arguments are organically combined with a quantitative evaluation of the role of the latter in international settlements, credit, reserves and currency transactions (pp 58-61). The conclusion that, despite the development of diversification processes in the currency structure of international payments turnover, the dollar retains strong positions, primarily as an international means of payment, is convincing in this connection (p 62).

The author's interpretation of the international spread of inflation and state-monopoly regulation of the currency relations of capitalism is original.

The critical investigation of bourgeois forecasts of the development of international currency-finance relations is of great interest.

The innovative nature of the work in question is thought-provoking and invites discussion. Not all the conclusions jibe with established ideas or are sufficiently substantiated. It is worth dwelling in more detail on individual contentious issues. The author rightly incorporates in the analysis the currency relations of the TNC. Under current conditions they are becoming a most important component of the currency-finance system of capitalism and are the dominating factor of its restructuring. However, the work traces this connection inadequately. In particular, the proposition concerning the absence of perceptible progress in the interstate regulation of currency relations (p 187) is not linked with the activity of the TNC. It is necessary to proceed on this question, evidently, from the methodological guideline of the 27th CPSU Congress to the effect that the TNC "make active use of state-monopoly regulation when this is to their advantage. And confront it severely if they discern in the actions of bourgeois governments the least threat to their profits."

The crisis of the Bretton Woods system was brought about to a considerable extent by the fact that it was oriented predominantly toward the development of foreign trade and was not adapted to the demands of the transnational turnover of industrial capital. The visible weakening of government intervention in the state of the currency markets and its influence on currency exchange rates, balances of payments and the easing of currency restrictions, particularly restrictions on international financial transactions, point, first, to the unsuitability of these measures to the policy of the TNC and, second, to the capacity of the intercorporate system of payments and financing for functioning to a considerable extent without the support of the states. This fundamentally new proposition provides the key to an understanding of the singularities of the restructuring of the present-day currency-finance system, which is moving in the direction of stricter regulation for the developing countries given a continued "freedom of maneuver" for the biggest TNC, which are expanding increasingly. Whence the insistent need for the elaboration of international currency-finance security measures.

Another problem of a discussion nature is the sources of the international credit crisis. While noting the soundness of its interpretation as a form of manifestation of the structural crisis of present-day capitalism, we cannot agree with the proposition concerning the increased dependence of the TNC on loan capital (p 74). Characterized by a chronically low growth rate, the structural crisis is intensifying the trend toward the release of monetary capital, self-financing and a decline in the need for loans of industrial enterprises in general and the biggest of them in particular. This fact is severely complicating the floating of bank loans, creating the initial conditions for a race for new potential borrowers, including the developing states. Here, we believe, is the most common cause of the intensification of the international credit crisis. If, on the other hand, the need for loans on the part of the TNC is growing constantly, the structural nature of the latter is very difficult to explain.



The critical observations which have been expressed are of a discussion nature and do not in the least call in question the significance of the work, the originality of its basic conclusions and the author's contribution to the development of Soviet science of the international currency and credit relations of capitalist countries. Written on the basis of current factual material, I. Korolev's monograph will be of great interest primarily to research associates, lecturers and graduate students specializing in the sphere of international economic and currency-finance relations. It will also be a good help for the expanding circle of practical specialists of a foreign economic profile. The simplicity and intelligibility of exposition make the book useful for those studying in the party training system and also for all who are interested in the economic problems of present-day capitalism.

#### FOOTNOTE

- \* I.S. Korolev, "Valyutnyye otnosheniya kapitalizma: ekonomika i politika" [Currency Relations of Capitalism: Economy and Policy]. Ex. editor M.M. Maksimova, doctor of economic sciences, Moscow, "Nauka", 1986, pp 232.

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## READERS RESPOND TO JOURNAL'S SURVEY

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 5, May 87 (signed to press 15 Apr 87) pp 138-140

[V. Nazarova roundup: "The Reader Recommends, Criticizes, Inquires"]

[Text] Throughout the 30 years of existence the editorial office of the journal has repeatedly asked its readers: is everything in our publications to their liking, what observations do they have concerning the content and format of the issues?

Now, under the conditions of the restructuring not only in the sphere of the economy but mainly in the restructuring of the consciousness and thinking, we are doubly concerned to study more deeply and fully our readers' requirements.

This is why at the end of last year the editorial office published a questionnaire.

Answers arrived, not as numerous as we had hoped, it is true, but nonetheless comprehensive and concerned. Readers write to us from all parts of the country--Moscow, Leningrad, Smolensk, Saratov to Volgograd, Chelyabinsk, Gorkiy, Tyumen, Khabarovsk. Letters were sent by comrades from the Komi ASSR (Vuktyl), Kustanay Oblast (Karasu) and Perm Oblast (Kungur) and even by our constant reader in Poland.

Many of them have been studying the journal's content for a long time, since it was first published, perhaps, but there are also those who have joined us just recently. The age of our readership, furthermore, to judge by the responses, ranges from 21 to 82.

As was to have been expected, the greatest attention to the journal is paid by political economists, historians, lawyers, international affairs lecturers and economists, but also physicians, engineers, teachers, students and workers of various specialties.

The overall assessment of the journal (although the questionnaire did not contain this question), which the readers expressed at their own initiative, was high: it was called "most authoritative and respected" and "necessary".

How did the readers respond to the first of the questions asked by the questionnaire: what kind of material on problems of the world economy, international relations, the worker and national liberation movement and social and ideological processes would you like to see published in the journal?

Reader A.M. Trivaylo (Moscow) observes: "technology of the future; high-science production; rivalry of the three power centers in the sphere of the technology of the 21st century." A.I. Lukyanov from Ryazan: "internationalization of the world economy, regional power centers, UN comparative statistics pertaining to the economy of all countries (the socialist countries included)." V.I. Gusev from Saratov emphasizes the need for the publication of material "on international production relations of both the capitalist countries and the socialist community countries and their essence, content, structure and development."

A whole series of answers was encompassed by approximately one area: "problems of the differentiation of the developing countries and a specific area survey of new 'power centers' in the developing world"; "the nonaligned movement (with a historical survey); the socialist system and the developing countries (economic relations) and the Near East problem (with a historical survey)"; "the worker and national liberation movement in Latin American countries"--this was mentioned by comrades from Moscow, Leningrad and the Komi ASSR. Unfortunately, a number of responses omitted their authors' names. Although the editorial office does publish material on these subjects, the perfectly justified conclusion is that this should be done even more, regularly and in more detail.

V.L. Chesnokov (Chita), lecturer in political economy, believes that it would be advisable to publish material "echoing in terms of general formulation of the question the political economy course in the VUZ's."

Particular attention is paid to the need for the illustration of "ideological work in the developed countries" (N.V. Sukhotin, Gorkiy); "singularities of the world ideological situation and a description of the democratic movements" (V.N. Borisovskiy, Moscow).

"The state of sectors of the world economy and the role of the TNC and wishes for an improvement in the content of the 'Appendix' to No 8 (it has deteriorated, the writer of the letter believes) and the restoration of data on countries' share of the industrial production of the whole capitalist world (and not just of the OECD), data on annual output per country and so forth"--such is the list of observations of I. Antonov from Moscow.

Reader Smennikov from Kharkov Oblast (community of Komsomolskiy), who sent us a detailed letter, emphasizes particularly that "the world economy is reflected in the journal mainly with the exclusion of the USSR economy." There are readers who assess positively the journal's publications of the "portraits of monopolies". They ask for them to be published more often.

To the second question of the questionnaire: are you satisfied with the structure of issues of the journal and should any new sections be created, in

your opinion? we received answers of the following kind: "it is not a question of the structure but the content," "no, not satisfied, too high a level of academic manner," and hereupon "I personally am satisfied with the structure of the journal."

Some writers agree that a new heading needs to be created: "Word to the Youth" or "Youth and the Modern World," others, that the new sections "Experience of the Fraternal Countries" and "Documents of Most Important International Forums" need to be started, that a section devoted to questions of the developing countries be allocated and so forth.

The idea of the organization of a "Theory for Training" section, but not "congested," as V.L. Chesnokov from Chita says, but merely "streamlined in the given area," is interesting. In this same category is the proposal for a new section entitled "World Economy: Figures, Facts, Literature" to help lecturers in the political economy of imperialism.

"I would like to see the sections: 1) organization of production. 2) economic relations of capitalist countries with socialist countries," Ye.N. Shulepov from Khabarovsk writes, and a reader from Tyumen Oblast (Radyzhnyy)--he did not give his name--proposes in the "statistical tables a comparison of data pertaining to the USSR and CEMA." Incidentally, we have just published such material in issues 1 and 2 for 1987.

The wishes of two readers from Voronezh and Gorkiy are of approximately the same plane, the first being for "the introduction of a heading which would reflect the social aspect of the life of the working masses in capitalist countries," the second, the creation of the section "The Human Factor--Solution of the Question in Advanced Countries of the World".

B.D. Pak (Leningrad) believes that "a section publishing material from analogous publications abroad," and V.P. Lozovoy (Yaroslavl), "Polemical Notes" (or comment), are necessary.

What problems need to be discussed in the immediate future in the "Discussion" and "Platform of the Economist and International Affairs Expert" sections?--such was the third question of the questionnaire.

There were many answers. We shall select related ones.

"How and with what to measure the profitability of foreign policy," a reader from Moscow; "public opinion since Reykjavik," a reader from the Komi ASSR (Vuktyl); "problems of the international communist movement of the mid-1980's, national liberation and its differentiation," V.Ye. Yevsyukov (Penza); "productiveness of intellectual work--an increasingly large part of the population is involved therein, but there is no theory, I would like to be familiarized with the ideas in this field," A.L. Chislenko (Leningrad); "actual role of education and health care in reproduction and also the role of the manager, engineer and planner in the firm as organizer," a reader from Moscow.

"Problem of the optimum correlation of private and state enterprise. Limits of trade expansion," A.I. Lukyanov (Ryazan); "essence of contemporary inflation," the Podorov family (Gorkiy); "problems of solution of the contradictions of S&T progress in capitalist and socialist countries, experience, forecast (without bias)," Ye.N. Shulepov (Khabarovsk); "possibilities and potential of contemporary capitalism and competition with socialism--central issue of the present day," V.V. Krimin (Leningrad); "prices and pricing on the capitalist and, particularly, socialist markets and in the reciprocal trade of the CEMA countries," Ye.I. Punin (Moscow); "singularities of the development of the socialist orientation at the current stage," V. Cieszowiec (Warsaw).

But there are also puzzling answers: "this section is not of sufficient interest," a reader (from Volgograd); "we do not see such problems in Saratov," Comrade V.I. Gusev; "leave the discussion, we need the computation of figures, which are unarguable," a reader from Smolensk.

The fourth question: name specific questions to which you would like to receive answers in the "We Answer Readers' Questions" section.

Readers ask the journal to describe "what prizes there are in economics: when they were instituted, rules of conferment and who has received them, when and for what?"; and "the activity of A. Hammer in the sphere of economic cooperation with the USSR"; and to reveal "the mechanism of the growth of national debts, particularly in the United States, what the cause of the growth of these debts is and how they grow?"; "how has the fall in the price of oil been reflected in the economic position of Mexico, Nigeria, Indonesia and the Arab countries of the Persian Gulf?"; "what are the factors and dimensions of nonequivalent exchange on the world market?"; "Israel's economy, its structural singularities?"

N.V. Sukhotorin from Gorkiy requests an answer to "what may be counterposed in the socialist countries to competition under capitalism?"; and V.N. Borisovskiy (Moscow) asks: "what are the actual positions of the biggest TNC? What is their influence on world politics?"; "of what does an improvement in foreign economic relations consist, and what are the principles of the creation in our country of joint industrial ventures with foreign firms," V.I. Aksenov (Perm) inquires.

To our fifth question: are you satisfied with the "Books, Authors" section the vast majority of readers answered in the affirmative, but there were "no's" also, and some answers were prolix: "it is necessary to provide more detailed information on the author (position, early works) and a somewhat more critical illustration of the main propositions"; or "the section does not enjoy authority among specialists, the choice of literature is not a success and the annotation is long-winded"; or "books and theories would be better than books and authors"; and somewhat funny even: "as a whole, yes, if you do not count the critique of my monograph."

The final--sixth--question of the questionnaire asked: what measures could you recommend to further popularize the journal?

The answers to this question contain a broad range of opinions, some people believe that the journal is "sufficiently popular for its subject matter" as it is, others, that it is necessary "to publish more propaganda material intelligible to the mass reader"; but there are also directly opposite answers, which say that the journal is of a "specific-informational nature" and should "strengthen the political economy aspect," and wishes that it might raise its "relevance for the Soviet practical economist" and conduct "discussions of problems from the viewpoint of their employment in the USSR national economy" are expressed. As far as the latter observation is concerned, the editorial office has already done something here: "we have begun to publish material under the heading 'Economic Experience of Foreign Countries'," and work in this sphere will continue.

As a whole, the editorial office thanks our readers who sent in answers to the questionnaire for their interest in us, understanding and valuable advice. All wishes and recommendations will be carefully studied. We look forward to a further intensification of our contacts.

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